

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 2015

WEDNESDAY, MARCH 26, 2014

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10 a.m., in room SD-106, Dirksen Senate Office Building, Hon. Richard J. Durbin (chairman) presiding.
Present: Senators Durbin, Mikulski, Cochran, Shelby, Collins, Graham, and Coats.

DEPARTMENT OF DEFENSE

DEPARTMENT OF THE NAVY

OFFICE OF THE SECRETARY

STATEMENT OF THE HON. RAY MABUS, SECRETARY OF THE NAVY

OPENING STATEMENT OF SENATOR RICHARD J. DURBIN

Senator DURBIN. Good morning. The subcommittee meets this morning to receive testimony on the fiscal year 2015 budget request for the United States Navy and Marine Corps.

Pleased to welcome the Secretary of the Navy, the Honorable Ray Mabus; the Chief of Naval Operations (CNO), Admiral Jonathan Greenert; the Commander of the Marine Corps, General James Amos; the Chief of the Navy Reserve, Vice Admiral Robin Braun; and the Chief of the Marine Corps Reserve, Lieutenant General Richard Mills.

Gentlemen, thank you for being with us today and providing your testimony. At the outset, I would like to speak, I am sure on behalf of the entire committee, and express our condolences to the entire Navy family for the death of a young sailor late Monday night at Naval Station Norfolk, responding to a security breach on a guided missile destroyer, the USS *Mahan*. During the struggle, the intruder wrestled a gun away from another guard and shot the sailor. Our condolences go out to his family.

An investigation is underway. And we look forward to learning more about the incident as soon as possible.

For fiscal year 2015, the President's budget requests \$148 billion in base funding for the Department of the Navy. However, the request does not include the Overseas Contingency Operation request, which is a big concern.

Until we receive the President's request for plans in Afghanistan after 2014, it is virtually impossible to understand what is required to support sailors and marines serving in war zones.

The Navy is making significant changes to future programs, such as requesting reduction to the number of cruisers, not funding the overhaul of *George Washington*, and making significant reductions in aircraft ammunitions. This causes serious concern about the Navy and Marine Corps' ability to execute the shift to the Pacific, along with other responsibilities.

In addition, we are concerned as we look across the next 5 years of budgets, as the Department of Defense added \$115 billion over the BCA (Budget Control Act) caps written in law. What happens if these funds don't materialize?

Similarly, if funding for education, healthcare, and other domestic programs remain at sequester levels, will the Navy and Marine Corps have more challenges in finding well-educated, fit, capable young men and women to recruit?

Throughout this conversation, we cannot waver in protecting our most precious asset, our people, whether it is one of the 38,000 new sailors in boot camp at Naval Station Great Lakes in Illinois, which we are very proud of, or a Marine unit rotating through Darwin, Australia.

Our men and women in uniform are the finest, most skilled fighting forces in the world, and we can't allow budget pressures to squander those skills.

As the department's senior leadership, this committee needs your guidance on a number of crucial personnel questions. How can the Navy and Marine Corps recruit and retain the best talent to deal with the challenges of the 21st century? What more can be done to address suicide and PTSD (post-traumatic stress disorder)? How do we keep faith with servicemembers and their families in this budget environment? What must we do differently to combat sexual assault?

I look forward to working with our distinguished panel throughout the year so that our fiscal year 2015 appropriations bill can enable the U.S. Navy and the Marine Corps to defend our national interests around the world.

We sincerely do appreciate your service to our Nation, and the dedication and sacrifice made every single day by the men and women in our Navy and Marine Corps.

I thank you for your testimony this morning. Your full statements will be part of the record.

Senator DURBIN. I am going to turn to our vice chairman, Senator Cochran, and then to the chairman of the full committee, Senator Mikulski.

STATEMENT OF SENATOR THAD COCHRAN

Senator COCHRAN. Mr. Chairman, I am pleased to join you in welcoming our distinguished panel of witnesses today. We appreciate their leadership.

The importance of the Navy and Marine Corps role is becoming even greater with increased presence in the Asia-Pacific region. The department has earned a high level of distinction for its accomplishments over the years, the Marine Corps, as well. And we

are really fortunate to have the kind of leadership that we have now in these important positions.

We look forward to hearing your testimony. Thank you.
Senator DURBIN. Senator Mikulski.

STATEMENT OF SENATOR BARBARA A. MIKULSKI

Senator MIKULSKI. Thank you, Mr. Chairman.

Mr. Chairman, as you know, I am here as a member of the committee, but as the chair of the full committee, I want the record to note that both Senator Shelby and I are here to support our subcommittee chairman and our vice chairman, Senator Cochran, to show that the Appropriations Committee is committed to keeping America strong, to supporting its United States military, not only with words and what is in the Federal law books, but what to put in the Federal checkbook. We are going to eagerly listen to the testimony presented today.

And we also want to note that for one member of the panel, it will be his last appearance before Appropriations, with the retirement of General Amos. So we want to, in the warmest, most admirable way, thank him for his service.

We in Maryland are really proud of the Navy and the Marine Corps. We are the home of one of the oldest ships in the Navy, the *Constellation*, one of the oldest warships, to one of its most modern fleets, the Tenth Fleet, in terms of the cyber-fleet.

We are also the home to hallmark institutions within the Navy, from the Naval Academy to the Patuxent River Navy Base.

So we are a Navy State, and we look forward to continuing to support you.

We, too, want to express our condolences in terms of the terrible shooting at Norfolk. I want to express my condolences to the Navy family, and especially the Naval Academy family, for the death of Will McKamey, a 19-year-old freshman who died in shock trauma of a brain trauma.

But as we express our condolences, those young men would want us to make sure we have the best Navy and Marine Corps that we can.

We look forward to your testimony, in both what we need in terms of its physical infrastructure, but also building its human capital.

So with that, Mr. Chairman, I am eager to hear the testimony.

Senator DURBIN. Let's see if Senator Shelby has any comments he'd like to make.

STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Mr. Chairman, I would like for my whole statement to be made part of the record.

And I just want to, again, welcome the Secretary of the Navy and his distinguished colleagues here today.

This is a very important hearing. It is important for us to hear on the Appropriations Defense Subcommittee and the full Committee of Appropriations, but it is important to the security of this country at a crucial time.

I look forward to all of your testimony and the chance to ask questions.

Senator DURBIN. Anyone else wish to make opening comments?
Senator Collins.

STATEMENT OF SENATOR SUSAN COLLINS

Senator COLLINS. Mr. Chairman, in light of the time constraints this morning, I will submit my opening statement for the record.

But I just want to welcome all of our witnesses, and note that Vice Admiral Braun is from the great State of Maine.

[The statement follows:]

PREPARED STATEMENT OF SENATOR SUSAN M. COLLINS

Thank you, Chairman Durbin, for holding this hearing to review the Department of Navy's fiscal year 2015 budget submission. This subcommittee has a number of important decisions to make, but I am hopeful that we can again produce a bipartisan funding bill to support our military.

Secretary Mabus, General Amos, Admiral Greenert, thank you for appearing here today and please accept my thanks for your decades of collective service to our country.

I am generally supportive of many of the provisions in the current budget. For example, I am pleased that the administration continues to fully fund the DDG-51 and DDG-1000 programs which are essential to the future of our surface fleet.

That being said, I have some serious concerns about the proposed way forward from a strategic global force standpoint. Our renewed focus on the Asia-Pacific region as an area of the highest strategic interest, as well as instability in other areas of the world, call for maintaining a strong and capable surface fleet.

What troubles me, however, is that rather than growing the fleet to keep pace with the threat, we seem to be headed in the opposite direction. In its fiscal year 2014 30-year shipbuilding plan, the Navy laid out its need for 306 battle force ships, a reduction from their previous requirement of 313 battle force ships. Yet 2 weeks ago, the Chief of Naval Operations said that we would need 450 ships to meet the present combatant command needs.

Then just this month, the Navy changed its procedures regarding which ships count toward the battle force. For the first time, the Navy announced that it is counting ships such as the *Cyclone*-class coastal patrol craft and hospital ships towards its total.

Moreover, it has been announced that the Navy intends to count the 11 guided missile cruisers that will be placed in a "reduced operating status" to save on operations and manning costs as part of the Navy's fiscal year 2015 budget proposal. All these changes mask the reductions to the surface fleet.

I am concerned that we continue to move further away from the number of ships we actually need to protect our national security. For my part, I will continue to argue for maintaining a strong surface fleet. So in the coming months, I hope to work closely with you and my colleagues on the subcommittee to see how we can work to help the Navy get the fleet we really need.

I look forward to your testimony today.

Senator DURBIN. Senator Coats.

STATEMENT OF SENATOR DANIEL COATS

Senator COATS. Except for the recognition of the State of Maine, a ditto to what Senator Collins just said.

No disrespect for Maine. It is just that I don't have the same parochial interest.

But our time is constrained. We ought to hear what these people have to say.

Senator DURBIN. Someone said all politics is local.

Secretary Mabus, please proceed.

SUMMARY STATEMENT OF HON. RAY MABUS

Mr. MABUS. Mr. Chairman, before I begin my formal statement, I would like to thank you and the members of the committee for

your condolences on behalf of the Navy family. We send out our thoughts and prayers to the family, the shipmates, the friends of the sailor who was lost in Norfolk, and also to the midshipman who died at the Naval Academy.

Mr. Chairman, Madam Chairwoman, Vice Chairman Cochran, and members of this subcommittee: First, thank you for your support of the Department of the Navy, for our sailors and marines, our civilian employees, and their families.

General Amos, the Commandant of the Marine Corps, and Admiral Greenert, the Chief of Naval Operations, and I couldn't be prouder to represent those courageous and faithful sailors, Marines, and civilians. These men and women serve their Nation around the world with skill and dedication, no matter what hardships they face, no matter how far they are from home and from their families.

And as Senator Mikulski pointed out, I want to take a personal moment, this will be the last hearing before this committee on posture that General Amos participates in. And I just want to say what a high privilege and great honor it has been to serve with the Commandant of the Marine Corps James Amos.

The architects of our Constitution recognized the inherent value of the United States Navy and Marine Corps. Article I section 8 gave Congress the responsibility to provide and maintain a navy because our Founding Fathers knew that the Nation needed a naval force to operate continuously in war and peace.

Over two centuries ago, the United States had a crucial role in the world. Today, that role is exponentially greater.

Whether facing high-end combat, asymmetrical threats or humanitarian needs, America's maritime forces are ready and present on day one of any crisis, for any eventuality.

In today's dynamic security environment, naval assets are more crucial than ever. In military terms, they provide presence—presence worldwide. They reassure our partners that we are there, and remind potential adversaries that we are never far away.

This presence provides immediate and capable options for the Commander in Chief when a crisis develops anywhere in the world. In the past year, our naval forces have operated globally from across the Pacific to continuing combat in Afghanistan, from the Gulf of Guinea to the Arctic Circle.

The 2012 Defense Strategic Guidance and the newly released QDR (Quadrennial Defense Review) are both maritime in focus and require presence of naval forces around the world. Four key factors make that global presence and global action possible.

These four factors—people, platforms, power, and partnerships—have been my priorities during my tenure as Secretary, and they have to continue to receive our focus looking ahead.

In our fiscally constrained times, we have used these priorities to help balance between the readiness of the force, our capabilities, and our capacity.

Our people are our biggest challenge, and we have to ensure that they continue to get the tools they need to do their job. In compensation, we have increased sea pay to make sure those sailors and marines deployed aboard ship are appropriately recognized.

However, this budget also seeks to control the growth in compensation benefits, which threatens to impact all other parts of our budget. If this is not addressed, as the CNO has so forcefully put it, the quality of work for our sailors and marines will almost certainly decline.

Shipbuilding and our platforms remain key elements of our maritime power, and a focus of this committee. The number of ships, submarines, and aircraft in our fleet is what gives us the capacity to provide that global presence.

While we have the most advanced platforms in the world, quantity has a quality all its own. And I think it is important to understand how we got to our current fleet size.

On September 11, 2001, our fleet stood at 316 ships. By 2008, after one of the great military buildups in American history, the fleet was down to 278 ships. In the 4 years before I took office, the Secretary of the Navy put 19 ships under the contract. Since I took office in May 2009, we have put 60 ships under contract. And, by the end of this decade, our plan will return the fleet to 300 ships.

We are continuing our initiatives to spend smarter and more efficiently, which are driving down costs through things like competition, multiyear buys and just drive a harder bargain for taxpayer dollars.

Power, or energy, is a national security issue and central to our naval forces and our ability to provide that presence. Dramatic price increases for fuel threaten to degrade our operations and training, and could impact how many platforms we can acquire.

Having more varied, stably priced, American-produced sources of energy makes us better warfighters. From sail to coal to oil to nuclear, and now to alternative fuels, the Navy has led in energy innovation.

Since the end of World War II, U.S. naval forces have protected the global commons to maintain the foundation of the world's economy. In today's complex environments, partnerships with other nations, evidenced by things like interoperability, exercises, and operations continue to increase in importance.

The Navy and Marine Corps, by the nature of their forward-presence, are naturally suited to develop these relationships, particularly in the innovative small footprint ways that are required.

PREPARED STATEMENT

With the fiscal year 2015 budget's submission, we are seeking, within fiscal constraints imposed, to provide our Navy and Marine Corps with the equipment, the training, and the tools needed to carry out the missions the Nation needs and the Nation expects from them.

There are never any permanent homecomings for sailors or marines. In peacetime, wartime, all the time, they remain forward-deployed, providing presence, and providing whatever is needed by our country.

This has been true for 238 years, and it is our task to make sure it remains true now and in the future.

Thank you.

[The statement follows:]

PREPARED STATEMENT OF HON. RAY MABUS

Chairman Durbin and Ranking Senator Cochran, and members of the committee: today I have the privilege of appearing to discuss posture and readiness for the fifth time on behalf of the men and women of the Department of the Navy. It is an honor to represent the Sailors and Marines across the globe, as the Marine Hymn says, "in every clime and place;" the civilians who support them at home and around the world; and to report on the readiness, posture, progress, and budgetary requests of the Department. Along with Commandant of the Marine Corps, General James Amos, and Chief of Naval Operations (CNO), Admiral Jonathan Greenert, I take great pride in the opportunity to both lead and serve the dedicated men and women of our Department. This statement, together with the posture statements provided by CNO Greenert and Commandant Amos, are designed to present an overview of the state of the Department of the Navy for your consideration as we move forward with the fiscal year 2015 budget process.

The architects of our Constitution recognized the inherent value of the United States Navy and Marine Corps. Article 1, section 8, gave Congress the responsibility to "provide and maintain a Navy," because our Founding Fathers knew that the Nation needed a naval force to operate continuously in war and peace. Over two centuries ago they recognized that having a Navy and Marine Corps to sail the world's oceans in defense of our national interests and our commerce sent a powerful signal to our allies and our potential adversaries. Even then, the United States had a crucial role in the world. Today that role is exponentially greater.

This year we celebrate the Bicentennial of Thomas Macdonough's "signal victory" on Lake Champlain during the War of 1812. From that early triumph in the defense of our Republic to the heroic fights in places like Mobile Bay and Manila; to the Chosin Reservoir and the quarantine during the Cuban Missile Crisis and the coastal and riverine patrols of Vietnam; to the mountains of Afghanistan and the littorals of the Pacific presently; our Navy and Marine Corps have been there when the Nation called. We have given our Commanders-in-Chief the options needed.

These options are far greater than just waging war, although the Navy and Marine Corps are ready, when necessary, to fight and win our Nation's wars. In today's complex world, with a dynamic security environment, naval assets are more critical than ever. This year our ground forces are returning home from the battlefields of Afghanistan, just as they have from Iraq. Yet our Sailors and Marines know that they will continue to forward deploy as the guardians of our safety and security. In peace, as in war, we will deploy, day after day, year after year. For seven decades our global presence and maritime strength have ensured the freedom of the seas and the security of peaceful free trade around the world. This has resulted in unprecedented growth in the world's economy, which has benefitted all. It also ensures America's interests are respected and our people remain secure.

The Navy and Marine Corps respond whenever the Nation calls. Whether facing high-end combat, asymmetrical threats or humanitarian needs, America's maritime forces are ready and present on Day One of any crisis, for any eventuality.

STRATEGIC CONTEXT IN 2013

Throughout the past year, the Navy and Marine Corps repeatedly demonstrated the critical role they play in ensuring global stability. In military terms, they provide worldwide presence. Naval forces operated across the Pacific, and in the continuing combat mission in Afghanistan, from the Gulf of Guinea to the Arctic Circle. As President Theodore Roosevelt said, "A good Navy is not a provocation to war. It is the surest guarantee of peace." We don't have to surge units from home. Our ships don't take up an inch of anyone else's soil. We reassure our partners that we are there, and remind those who may wish our country and allies harm that we're never far away. We protect the global commons and ensure the freedom of navigation which has underwritten the growth of the world's economy for decades.

In recent years we have had a range of examples which illustrate what our Navy and Marine Corps mean for our Nation. Every time North Korea conducts missile tests or threatens their neighbors, our Ballistic Missile Defense ships are already there, already on patrol. There's no overt escalation, because we are already present. When special operations units conduct operations all over the globe, from capturing known terrorists in Libya to raids in Somalia, they rely on Navy ships and Marine Corps units as critical enablers. We support friends and allies with humanitarian assistance missions like Pacific Partnership and in exercises that help build our ability to operate together like our Cooperation Afloat Readiness and Training (CARAT) exercises with numerous partners. Around the world the credible combat power of the U.S. Navy and Marine Corps opens the door for diplomacy and helps our leaders address emerging threats.

A few months ago when Typhoon Haiyan moved toward our allies in the Philippines, our naval forces in the region tracked its progress. U.S. Marines were on the ground within hours after the storm. Our C-130s and MV-22 Ospreys brought in early aid and began to survey and assess the damage. Within days we had a dozen ships, including the *George Washington* Strike Group, in the waters around the Philippines along with over a hundred aircraft, providing lifesaving aid and supplies to devastated communities.

Humanitarian Assistance and Disaster Relief missions are an important contribution our Navy and Marine Corps make to our Nation's diplomacy because our presence allows us to respond quickly and effectively. These operations build our partnerships and they encourage stability and security by helping those in need get back on their feet. However, it should not be lost on anyone that we are talking about warships, warplanes and warfighters. We amassed a dozen combat ready warships and massive amounts of air support, rapidly, to respond to a crisis. We were able to do so because of the inherent flexibility of our people and our platforms.

These examples demonstrate that for the Navy and Marine Corps global presence is our purpose. We are there to deal with the unexpected. We are the Nation's hedge against new crises and new conflicts. The Navy and Marine Corps are our Nation's Away Team, ready for whatever comes over the horizon.

TODAY'S PRIORITIES

Four key factors make our global presence and global action possible. These four factors—People, Platforms, Power and Partnerships—have been my priorities during my tenure as Secretary and they must continue to receive our focus looking ahead.

Each of these four priorities contributes directly to the Department of the Navy's ability to provide the presence and options which the Commander-in-Chief and the American people have come to expect. They are what makes our Navy and Marine Corps the most immediate and capable option when a crisis develops anywhere in the world. Our People, Platforms, Power, and Partnerships guide our approach to the fiscal year 2015 budget process.

PEOPLE—SUPPORTING OUR VITAL ASSET

In 1915, my predecessor, Josephus Daniels testified before Congress that “a Navy, no matter how powerful, unless it is well manned by an adequate number of well-equipped and well trained Sailors, would have very little value.” That statement is even more true today. Our Total Force of active duty and reserve military, and civilians are what make the Navy and Marine Corps the best in the world.

Our equipment—the ships, submarines, aircraft, vehicles, weapons and cyber systems; everything that our Sailors and Marines operate—are technological marvels and the most advanced in the world. But they only exist thanks to those who design, build and procure them. And they would be useless without those who sail and fly and operate them. The people are the real marvel. They are what gives the United States the edge and what sets us apart from the world. And that is why our people have been and must continue to be our highest priority. However, the last few years have seen increasing challenges to our people, uniform and civilian.

Those in uniform have seen ever lengthening deployments. The average number of days that ships are underway or deployed increased 15 percent since 2001. In 2013 the USS *Dwight D. Eisenhower* Strike Group returned from back-to-back deployments, totaling 12 months, with only a 2-month break in between. USS *Nimitz*, which returned home just before Christmas, was extended twice because of the crisis in Syria and was deployed for 10 months. Instead of 6-month deployments, which had been standard for decades, 8 months at sea is the new normal and 10 months is becoming more common. These extended deployments, which immediately follow an intense training cycle requiring recurring operations at sea, stress our Sailors and Marines and their families. This will continue because the requirement for naval presence will not diminish.

Our civilian personnel have been tested as well. We literally could not put our fleet to sea without these committed and courageous individuals. The horrific attack at the Washington Navy Yard in September cost the lives of 12 devoted public servants left two physically injured and intangible scars across our workforce. Just days later, as soon as they were permitted, most of their colleagues on the Navy Yard returned to work, committed to their mission despite 3 years in which they received no pay raises and were subject to furloughs. Two weeks after the shooting our Navy and Marine Corps civilians, including many who worked at the Navy Yard but were not part of Naval Sea Systems Command or Naval Facilities Engineering Command, were forced off the job again by the Government shutdown.

A concrete demonstration of our support for our Sailors, Marines, and civilians are their pay and benefits. Military pay and benefits continue at a competitive level, and in some skill areas are better than those found in the private sector. The promise of a military retirement is a key element of the covenant we have with the men and women who serve our country for an entire career. We must safeguard that promise for today's Sailors and Marines. However, we also have to realize that the growth rate in military compensation must be controlled. Our Sailors and Marines chose to serve their country out of duty and patriotism, not just for the money. We must ensure that we support our active duty personnel by giving them the resources and tools they need to do their jobs, as well as their well-earned compensation.

We support the sensible and fair reforms to compensation and benefits introduced in the President's budget. We look forward to considering the complete review being conducted by the Military Compensation and Retirement Modernization Commission. We must have a holistic approach which ensures that any changes are reasonable, effective, and fair in sustaining the All-Volunteer Force.

Today's demanding environment will require the most resilient force that our Navy and Marine Corps has ever fielded. Because of that we continue to develop the 21st Century Sailor and Marine Initiative as an overarching method of supporting our people, to eliminate stovepipes and ensure a comprehensive approach. The goal is to help our Sailors and Marines maximize their personal and professional readiness, and to assist them and their families with the mental, physical and emotional challenges of military service.

The initiative is influencing Sailors and Marines around the world. In particular, we are working to counter the challenges of suicide, sexual assault and alcohol-related incidents. These tragic occurrences not only impact the resilience of our Sailors and Marines, they also directly impact the discipline of the force and degrade combat effectiveness.

We remain resolute in our efforts to minimize suicides and we are striving to understand the root causes and contributing factors that lead to suicide and suicide-related behavior. We want an environment in which Sailors and Marines are comfortable coming forward when they feel they may harm themselves, or when they know of a shipmate contemplating harm. Over the past few years we have introduced a number of initiatives including the Navy Operational Stress Control (OSC) Program to help build personal resilience, promote peer-to-peer support, enhance family support, and enable intervention up and down the chain of command. We have also added additional Mobile Training Teams who travel to units around the world to teach these skills and foster a sense of community. Our suicide prevention teams examine each incident for insights and data to inform our programs and we apply those lessons to help improve our training and policy.

Sexual assault continues to be an "insider threat" with serious impacts on the Navy and Marine Corps. Because of the seriousness of this issue, soon after taking office I established the first and only Sexual Assault Prevention and Response Office reporting directly to me as Secretary. We have implemented numerous programs to strengthen our approach, including consistent leadership, new training methods, and victim-centered support efforts. Reporting of sexual assaults increased in fiscal year 2013, which we believe reflects a positive aspect of our efforts. It indicates that our Sailors and Marines believe that their reports will be taken seriously and that perpetrators will be held accountable.

Another key element is our effort to strengthen the expertise and increase the resources of the Naval Criminal Investigative Service and our Judge Advocates to investigate and prosecute sexual criminals. We have also focused some of their training on advocating for victims. We continue to conduct regular voluntary anonymous surveys in order to learn as much as possible about perceptions and the factors influencing decisions to report or not report sexual assaults.

We continue to work to curb alcohol abuse and reduce the number of alcohol-related incidents which can end lives and careers. There has been a downward trend in alcohol related incidents which continued in 2013 as we saw yet another reduction in cases of DUI and alcohol related behavior. We attribute this in part to dynamic media and education campaigns and directed-actions for irresponsible use of alcohol. We have also instituted limits to the shelf space available for the sale of alcohol at Navy and Marine Corps Exchanges. Implementation of the alcohol detection device program is still relatively new but fleet feedback suggests these devices, paired with an effective command prevention program which includes things like curfews and base patrols, provide an effective deterrent to alcohol abuse.

Another positive development in 2013 was the significant strides the Navy made toward our goal of complete equality of opportunity for women in every officer designator and enlisted rating. Female officers and enlisted currently serve on virtually every class of surface ship and in every type of aviation squadron. Female officers

now serve as well in our Submarine Force and the Task Force on Enlisted Women in Submarines continues to develop details for full Submarine Force integration. The Navy is opening 252 enlisted and 15 officer billets to women in the Coastal Riverine Force. The sole remaining area in the Navy not yet open to women is Navy Special Warfare. However, once assessments are complete and Congress has been notified, assigning women in that area will be in accordance with the U.S. Special Operations Command implementation plan.

The Marine Corps continues to implement its plan to open closed positions to women. All positions currently closed will either be opened to women or an exception to policy requested from the Secretary of Defense by January of 2016. Since the 2011 NDAA the Marine Corps has opened 463 positions in 22 units in the Ground Combat Element to female officers and staff noncommissioned officers with open occupational specialties. Female officers and female enlisted Marines have been given the opportunity to volunteer for the training in Infantry Officer School or the Infantry Training Battalion as part of the research effort to inform decisions to open currently closed positions to women.

PLATFORMS—BUILDING THE FUTURE FLEET

The Marines, Sailors and civilians are the heart of our force, but what enables them to do their job are the ships, submarines, and aircraft in our fleet. As I noted earlier, we have the most advanced platforms in the world and we must constantly work to maintain that technological advantage. However, at a certain point quantity has a quality all its own.

The very nature of the Navy and Marine Corps mission, maintaining a global presence and positioning forces to respond immediately to emergent threats from man or nature, means that there is not much difference in our operations in times of war or peace. And the updated Defense Strategic Guidance and Quadrennial Defense Review clearly rely even more on maritime assets in our national security strategy.

It is important to understand how we got to our current fleet size. On 9/11, the fleet stood at 316 ships. By 2008, after one of the largest military buildups in American history, that number had dropped to 278 ships. In the 4 years before I took office as Secretary, the Navy put 19 ships under contract. Since I took office in May of 2009, we have put 60 ships under contract and by 2019 our current plan will enable us to return the fleet to 300 ships.

Some of the Navy's decline in the number of ships may be attributed to our understandable focus on ground forces involved in two major wars for more than a decade. But when I took office, I found it necessary to significantly revamp our basic management and oversight practices as well.

When I took office, many of the Navy's shipbuilding programs were seriously troubled, with costs spiraling out of control and schedules slipping. There were some fundamental flaws in the acquisition process we were using. Ships were still being designed while under construction, immature technology was added before being proven, and requirements grew without restraint or realistic price forecasts. One of the central problems the Navy faced was a lack of competition in the system. With a smaller number of shipbuilders, Navy contracts had begun to be treated like allocations, rather than competitions to earn our business.

In the past 5 years we have turned shipbuilding around by promoting acquisition excellence and integrity as well as aggressive oversight. We have been rebuilding the Department's core of acquisition professionals. Our focus is on everything from requirements, to design, to construction efficiency, to projected total life cycle costs. We emphasized firm, fixed-price contracts over the cost-plus contracts that can inflate costs. We introduced initiatives to spend smarter and more efficiently through competition, multiyear buys, and driving harder bargains for taxpayer dollars. I have made it clear to industry that Navy expects three things. A learning curve should be evident so each ship of the same type, whose design had not dramatically changed, would take fewer man-hours to build and should cost less than previous ships. Second, costs have to be scrubbed relentlessly with total visibility for Navy in estimates and bids. Third, appropriate investments in both infrastructure and workforce training must be made and are a shipbuilder's responsibility.

But along with those harder bargains and expectations I made a commitment to our industry partners that the Department will do three things to keep up our end of the relationship. First, we must build stable designs without major changes during construction. Second, if a new advanced technology comes along after construction has started; it must wait until the next block of ships. Finally, we will offer a realistic shipbuilding plan so that the number, type, and timing of building would be transparent and offer some stability to the industry.

In today's fiscal environment maintaining and increasing the fleet size will require sound management, innovative solutions, and continuing to seek out efficiency in our acquisition system. Navy shipbuilding is a unique public-private partnership; a key economic engine touching all but one of the 50 States that provides over 100,000 high-skilled, high-paying jobs and the basis for the global prosperity and security that naval presence has assured since World War II.

The fiscal year 2015 Shipbuilding Plan projects that we will reach 300 ships by the end of the decade. This plan maintains a force that is balanced and flexible and focuses on critical technologies. It is designed to be able to prevail in 21st century combat situations, including anti-access, area-denial environments, and to be operationally effective and resilient against cyber attacks. In 2013 we awarded two *Arleigh Burke* class destroyers (DDGs) and contracted for seven more, which will be built over the next several years through a multiyear procurement contract. In total in 2013 we delivered seven new vessels to the fleet. We deeply appreciate the support of this committee and will work with you in order to build and maintain the fleet needed to address our global requirements and responsibilities.

2013 saw a number of significant milestones for our new platforms and our research and development (R&D) programs. Our interim Afloat Forward Staging Base (AFSB) USS *Ponce* continued to develop operating concepts for future AFSB's and Mobile Landing Platforms (MLPs). The next generation destroyer USS *Zumwalt* (DDG-1000) and the MLP USNS *Montford Point* were launched. The first P-8 Poseidon maritime patrol aircraft deployed to the Pacific and the Navy and Marine Corps established their first F-35 Lightning II squadrons. The Air and Missile Defense Radar (AMDR) began development. The Standard Missile 6 (SM-6) was introduced to the fleet. None of these programs would be possible without your continued support.

The deployment of Littoral Combat Ship (LCS) USS *Freedom* to the Pacific is an important milestone in the LCS Program. The deployment tested the ship and its key operating concepts, overcame first-in-class challenges, and provided the Navy with lessons learned and ways to improve the program. The rotational forward deployment of the ship with our friends in Singapore was an unqualified success. In addition to contributing to relief efforts for Typhoon Haiyan, the ship also conducted a very successful crew-swap, teaching us a great deal about the LCS's new and innovative manning and deployment concepts.

Our aviation and weapons programs are just as important to our ability to project power and provide presence as our shipbuilding. In May Admiral Greenert and I stood on the deck of USS *George H.W. Bush* and watched the landing of the X-47B unmanned carrier demonstrator. It was an historic moment in naval aviation, and a critical step forward in the development of our naval unmanned systems. We are pushing ahead with the Unmanned Carrier Launched Airborne Surveillance and Strike system (UCLASS) to develop an aircraft capable of multiple missions and functions, including precision strike in a contested environment. Support for this aircraft is vital for shaping the carrier air-wing for the challenges of the 21st century. To enhance our combat effectiveness and efficiency, these unmanned systems need to be integrated into everything we do across the full range of military operations.

The at-sea testing of a directed energy weapon system was also an important development. These new systems can give the Navy an affordable, multimission weapon with a deep magazine and unmatched precision. Their modular nature will allow them to be installed on numerous different classes of ships in the future. We intend to deploy the system on the USS *Ponce* to continue testing and inform follow on Navy and DOD research into developing and integrating affordable directed energy weapons into the Joint Force.

During difficult fiscal times it may be tempting to target research and development programs for savings. However, that kind of thinking is short sighted. These programs, and our entire research and development establishment from the Office of Naval Research to Navy labs to our industry partners, are vital to our future.

POWER—A NATIONAL SECURITY ISSUE

Power and energy are central to our naval forces and our ability to be in the right place, around the world. It is what we need to get them there and keep them there. The Navy has a long, proud history of energy innovation. From sail to coal to oil to nuclear, and now to alternative fuels, the Navy has led the way.

Energy is a national security issue and can be, and is, used as a geostrategic weapon. Even with domestic oil production up, imports declining, and new oil and gas reserves being discovered, energy is still a security concern and military vulnerability. One reason for this is that oil is the ultimate global commodity, often traded

on speculation and rumor. In the aftermath of the chemical weapons attack in Syria, oil prices surged to over \$107 per barrel and remained there for weeks, in what oil traders call a “security premium.” This same scenario plays out, such as during the crises in Egypt and Libya, and every time instability arises. Each \$1 increase in the price of a barrel of oil results in a \$30 million bill for the Navy and Marine Corps. This has huge implications across the Department of Defense and for our security. DOD is the largest single institutional consumer of fossil fuels on earth and budgets about \$15 billion each year on fuel. But in fiscal years 2011 and 2012 price spikes added another \$3 billion to the DOD fuel bill. The potential bills from that “security premium” can mean that we will have fewer resources for maintenance and training. But more importantly, the cost of meeting our high fuel demand can also be measured in the lives of Marines killed or wounded guarding fuel convoys. During the height of operations in Afghanistan, we were losing one Marine, killed or wounded, for every 50 convoys transporting fuel into theater. That is far too high a price to pay.

In 2009, I announced five energy goals for the Department of the Navy in order to improve our energy security, increase our strategic independence, and improve our warfighting capabilities. The topline goal commits the Department of the Navy to generate one-half of its energy needs from non-fossil fueled sources by 2020. We are making real progress toward that goal through greater energy efficiency and alternative fuel initiatives. Burning cleaner fuel, or burning less fuel, is better for the environment but that is not our primary incentive. We’re pursuing these alternatives because they can make us better warfighters.

Under a Presidential Directive, the Department of the Navy is working with the Departments of Energy and Agriculture to help promote a national biofuel industry. This past year, under the authority in Title III of the Defense Production Act (DPA), we took an important step forward, with a DOD DPA award to four companies which committed to produce 160 million gallons of drop-in, military-compatible biofuels each year at an average price of well below \$4 per gallon, a price that is competitive with what we are paying today for conventional fuels. DOD policy and my prior commitment has been that we will only buy operational quantities of biofuels when they are cost competitive. This initiative moves us far down that road. At full production, biofuels combined with conventional fuel at a 50/50 blend hold the promise of being able to cost-effectively provide our fleet with much of its annual fuel demand, providing real competition in the liquid fuels market.

We also continue to develop our energy efficiency through research and development of more efficient propulsion systems, shore-based power management and smart-grid technology, and conservation measures. For example, in the past year the Naval Facilities Engineering Command’s Engineering and Expeditionary Warfare Center provided technology demonstrators at Camp Lemonnier, Djibouti which reduced fuel consumption 9 percent base wide, even with a 3-percent increase in energy demand because of an increased population. At Joint Base Pearl Harbor Hickam a \$2.2 million contract for the Daylight Project was awarded, which will use sunlight to light warehouse spaces and utilize photo sensors to automatically turn off lights when daylight levels are sufficient. In aggregate, fiscal year 2013 energy programs in Hawaii are projected to save the Government \$4.7 million a year. The Marine Corps’ development of expeditionary power solutions, through the Experimental Forward Operating Bases or ExFOB, has made them better warriors who are lighter and more agile in the face of today’s global threats.

The Navy has a long and successful history of partnering with industry to promote business sectors and products important to our Nation’s military and economic security. From the development of the American steel industry to nuclear power, the Navy has helped the country develop economically while helping Sailors benefit from the cutting edge of technology to defend our Nation. These programs are about diversifying fuel supplies, stabilizing fuel costs and reducing overall energy needs. In achieving these energy goals, we will maximize our reach and maintain our global presence and make our Navy and Marine Corps more combat capable.

PARTNERSHIPS—THE GLOBAL MARITIME WORLD

For the last seven decades American naval forces have deployed around the world to be, as President Obama said this past year, the anchor of global security. We operate and exercise alongside our friends and partners around the world, to maintain the stability of the global maritime commons. We work to uphold the key principles of free trade in free markets based on freedom of navigation, which underwrites the unprecedented growth of the global economy.

In times of economic uncertainty it is more critical than ever to protect the stability of the global system. As 90 percent of worldwide trade moves at sea, this sys-

tem, and the sophisticated set of international rules and treaties on which it is based, has become central to our global marketplace. However the efficiency and intricate interdependencies of a “just in time” economy place the system at risk from the destabilizing influences of rogue nations, non-state actors, and regional conflicts.

The Navy and Marine Corps, by nature of their forward presence and the boundless quality of the world’s oceans, are naturally suited to develop relationships, particularly in the innovative, small footprint ways the updated Defense Strategic Guidance and QDR require. Helping international partners increase their abilities and become more interoperable with us helps us all. Allies and partners around the world recognize that our combined naval forces offer a unique and critical capability. As an Asian Ambassador to the United States recently remarked to me, the competing claims in the Pacific today have reminded some of our friends of the vital role U.S. naval forces play in global stability.

Providing security for free trade and freedom of navigation across the maritime domain requires more capacity than any single nation can muster. The United States Navy plays a principal role in maintaining the freedom of the seas, but it cannot play an exclusive role. Partnerships between like-minded nations, collaborating to ensure security and safety at sea, distribute the burden based on alliances, shared values and mutual trust.

A recent Naval History and Heritage Command study titled “You Cannot Surge Trust” has reinforced the fact that partnership and trust do not appear overnight. Naval operations, in peace and war, are fundamentally human endeavors. Operational success is based as much, or more, on professional norms, personal relationships and human decisionmaking as on technology or hardware. Partnerships are a critical naval endeavor.

In the past year, we continued to develop the strength of our partnerships across the globe. Engagement between the leaders of the world’s naval forces is a critical component of building those human connections. Because of this, our senior uniformed leaders and I have traveled extensively to meet and consult with our peers.

Many nations have a longstanding territorial view inward, which caused them to focus overwhelmingly on land forces in the past. But in today’s globalized world they recognize that they now have to face outward. They are looking to the U.S. Navy and Marine Corps for advice and assistance as they make that shift. Other nations are already maritime focused, and look to develop the ability to train, exercise, and operate together effectively to forward our shared goals. Through our meetings between senior leaders and exercises with our allies, partners, and friends we are building the international relationships, trust, and inter-operability which are vital to protecting our common interests in a globalized world.

In 2013 we conducted the largest exercise of the year in the Arabian Gulf, the International Mine Countermeasures Exercise (IMCMEX). With representatives from 41 countries, including 6,600 sailors on 35 ships, the world’s navies cooperated to help promote regional stability and address the global challenge of mine warfare. Also this past year, Expeditionary Strike Group 3 and the 1st Marine Expeditionary Brigade conducted the multilateral amphibious exercise Dawn Blitz. Alongside amphibious units from Canada, New Zealand, and Japan, and observers from Australia, Chile, Colombia, Israel, Mexico, Peru and Singapore, the exercise helped increase our core amphibious capabilities, while also strengthening our partnership and interoperability. As I mentioned earlier our partners in Singapore hosted the first forward stationing of the Littoral Combat Ship USS *Freedom*. The ship conducted numerous exercises with our friends in Southeast Asia, expanding the number of ports we can visit and work from in the littorals.

Some of our exercises are smaller and more focused, like Obangame Express 2013 which occurred this past spring in the Gulf of Guinea. It concentrated on developing the maritime security and patrol capabilities of local forces in West and Central Africa that have seen increasing armed robbery at sea, piracy, smuggling and other maritime crimes. In part of this exercise a team of U.S. Sailors who specialize in maritime security missions worked on board the Belgian Naval Ship *Godetia* with our European allies, to train African sailors in the tactics for boarding and inspecting ships.

These are just a few examples of literally hundreds of operations, engagements, and exercises that the Navy and Marine Corps participated in during the past year. However, we also had a challenge in 2013 when it came to funding our operational, partnership and theater security cooperation missions. The Navy was forced to cancel or defer ship deployments supporting counter-narcotics missions in the Southern Command area of operations. Some exercises, including some in support of the Southern Partnership Station in Central and South America, had to be scaled back significantly because the sequester level funds did not provide us with the operating budget we needed to complete the missions. Future funding at sequester levels is

likely to force us to continue to limit and prioritize our critical partnership building operations.

But our partnerships mean a great deal more than our alliances and friendships around the world. The Navy and Marine Corps also have critical relationships with industry and with the American people. Our Nation's defense industrial workers are skilled, experienced, and innovative and can't be easily replaced. We must provide stability and predictability to the industrial base to maintain our ability to build the future fleet and keep our technological advantage. One of the strengths of our system is the teamwork of our uniformed warfighters, our Navy and Marine Corps civilians, the leadership team in Washington, and our industry partners.

Recently, the Chief of a Navy in the Asia-Pacific region reminded me of a fundamental difference between land forces and naval forces. Land forces, he said, look down at a map. They look at borders and lines and limitations. Naval forces look out toward the vast horizon and they look to the future. Sailors and Marines are a unique breed. When they join the sea services they accept the challenge of the unknown with an adventurous spirit and an open mind. That is part of why the Navy and Marine Corps are naturally inclined toward partnership, and have been throughout our history, from operating with the Royal Navy to fight the slave trade in the 19th century to modern coalition operations in the Pacific and the Arabian Gulf. That same spirit which causes us to look for what comes next also causes us to look for new and innovative solutions, and new friends to help us across the globe.

FISCAL YEAR 2015 BUDGET SUBMISSION

The Department of the Navy's fiscal year 2015 budget request is designed to meet the updated Defense Strategic Guidance, and is informed by the 2014 Quadrennial Defense Review. It meets the objectives the strategy laid out, but our fiscal limits force us to accept a certain amount of risk in some mission areas. The Navy and Marine Corps continue to focus on planning for the 21st century including preparing for the anti-access, area-denial challenge, sustaining our global capability by increasing forward stationing and implementing new deployment models, and sustaining the All-Volunteer Force. Based on our strategic outlook we have had to make tough choices, and look to fund the most critical afloat and ashore readiness requirements, continue to provide sovereign sea-based options for the Commander-in-Chief, and to sustain our vital industrial base.

The President's budget for fiscal year 2015 (PB-15) continues to build the fleet of more than 300 ships we will have by the end of this decade. This fleet will include established and proven platforms which we are currently deploying, next generation platforms, and new advanced weapons, sensors, and payloads. Guided by operational concepts like Air Sea Battle, the experiences of more than 10 years of war, and the lessons from our war-gaming and studies, the Navy and Marine Corps of 2020 will be able to continue to project power and to maintain stability in the global commons.

Supporting our Sailors and Marines is a vital part of our budget request. We have increased spending on high priority Quality of Service programs, including increased career sea pay to help incentivize sea duty. We have also modestly increased spending on Quality of Life programs including on-base housing. But these initiatives must be balanced to ensure our Sailors and Marines have the resources and equipment they need to complete the mission. Across the Future Years Defense Plan (FYDP) we will add funds to improve Quality of Work issues like training support and improving the availability of spare parts so our Sailors and Marines remain the most knowledgeable in the world and have the tools they need to do their jobs. We protect programs that support our Sailors or Marines when they need help. This includes sexual assault incident response and training, suicide prevention, and family support programs. We remain committed to our military-to-civilian transition assistance and work to ensure that our veteran employment programs offer the best opportunities to capitalized on the knowledge and skills of transitioning Sailors and Marines.

Maintaining undersea dominance is vital to the U.S. Navy. The development of the Virginia Payload Module (VPM) will be critical when our guided missile submarines (SSGNs) begin to retire in 2026. We must develop the VPM by funding R&D through fiscal year 2018, so that we can introduce the modules into the very successful *Virginia*-class submarines, thus assuring that we will not lose capability as the SSGNs retire. This budget also funds the development of improved sonar processors, improved sonobuoys, and improved torpedoes to help ensure that we maintain our core undersea advantage.

Continued production of proven platforms for the fleet is a key element in this budget and across the FYDP. We will continue to build two *Virginia*-class submarines and two *Arleigh Burke*-class destroyers per year in order to help increase the size of the fleet and replace older ships as they retire. In fiscal year 2015 we will purchase 29 MH-60R and 8 MH-60S helicopters, completing the upgrade of our tactical helicopter force which has been underway for the past decade. We will also continue the procurement of the next generation E-2D airborne early warning aircraft and of the MV-22B for the Marine Corps. These established and world leading platforms provide the foundation of the future fleet.

This budget also procures new and advanced platforms that will take our fleet into the future. We will build LCSs and AFSB, and continue to introduce Joint High Speed Vessels (JHSV) and MLPs to the fleet. This will provide modular and mission focused capabilities around the world, while helping to meet the presence requirements of the fleet. In aviation we will continue production of the new P-8 Poseidon maritime patrol aircraft across the FYDP, deploying new squadrons, as well as the F-35 Lightning II for both the Navy and Marine Corps. We will continue the introduction of the next generation SM-6 Standard Missile to our Aegis capable ships, and fund the R&D for the Long Range Anti-Ship Missile (LRASM) which is vital for our future surface combatants. However, it is important to point out that given the reality of the \$38 billion reduction from the President's budget fiscal year 2014 (PB-14) to PB-15, many of these purchases will be made at reduced rates. PB-15 buys 111 fewer aircraft and over 5,000 fewer weapons across the FYDP than the PB-14 program. This is part of the increased risk that we have had to accept.

Unmanned platforms and systems will be an important part of the future Navy and Marine Corps and our budget carries on with R&D and production of these critical platforms. The MQ-4 Triton will complete its testing phase during this budget, and we will begin production for the fleet across the rest of the FYDP. The R&D for UCLASS also continues in fiscal year 2015, and throughout the FYDP. Developing these aircraft is vital to the future of the carrier air-wing. Unmanned Undersea Vehicles (UUVs) will be central to our mine-warfare capabilities and maintaining undersea dominance. This budget includes R&D for multiple systems, as well as deployment of the Mk 18 Kingfisher UUV for counter-mine missions. Across the entire spectrum of military operations, an integrated force of manned and unmanned platforms is the future.

We will continue to fund our energy programs with this budget by moving forward with the biofuels program under the DPA, as well as continuing our sea and shore based efficiency programs. This budget includes \$776 million in tactical and ashore energy programs in fiscal year 2015, and \$3.8 billion across the FYDP. Our ashore initiatives, including appropriated funds and third party investments, of \$570 million in fiscal year 2015 are projected to generate annual savings of over \$100 million, starting in fiscal year 2017, due to efficiencies. Investments in tactical programs help increase our on station time for ships, reduce need for resupply, and increase the amount of time our Marine Corps units can stay in the field, making us more capable militarily. Continuing to work toward the Department's energy goals will allow us to lessen the impact of price volatility in the energy market and make us better warfighters.

This budget includes funds to maintain our presence in the Middle East, and advance our capabilities there. Funding for the continued deployment of the Interim-AFSB USS *Ponce*, improved manning for our mine-countermeasures ships, and the introduction of new capabilities, are important parts of this effort. The new weapons and systems, like the Laser Weapon System (LaWS) aboard *Ponce*, the Advanced Precision Kill Weapon System (APKWS) guided rockets for our MH-60 helicopters, and the Sea Fox UUV mine neutralization system, will help our Sailors and Marines maintain their edge in the Arabian Gulf and beyond. We are also funding the forward stationing of ten Coastal Patrol ships (PCs) to Bahrain which will increase their availability to the combatant commander and increased presence in the shallow waters of the region.

PB-15 also represents the platforms and payloads necessary for increasing operations in the Asia-Pacific region as we continue to support the rebalance toward Asia. This budget sustains the operations of our LCSs in Singapore, which includes early investment for the rotational deployment of up to four LCSs by 2017. Exercises in the Pacific, like our CARAT and Pacific Partnership missions, will be funded to ensure that we maintain our partnerships in the region. We also continue to support the growth in the number of Marines who are rotating through Darwin, Australia. This year we are expanding from a Company sized unit to a Battalion, and in the coming years we will continue to expand to a Marine Air Ground Task Force (MAGTF).

In our fiscal year 2015 budget we include funding to support the movement of more of our ships and units forward as the most effective and cost-efficient means of maintaining our global presence. Forward based, stationed, or operating ships all provide presence at a significantly lower cost since one ship that operates continuously overseas provides the same presence as about four ships deploying rotationally from homeports in the United States. Besides the PCs to Bahrain and the LCSs to Singapore, we continue to fund the forward basing of four BMD capable DDGs to Rota, Spain. As the DDGs from Rota patrol European and African waters, we free other ships to deploy elsewhere. This year we will also begin moving JHSVs forward and prepare for the fleet introduction of the MLPs and AFSBs. We will continue the operations of, and expand the size of, the Marine Corps' new Special Purpose MAGTF-Crisis Response operating out of Moron, Spain.

It is our duty to spend the tax-payers' dollars wisely, and it is a duty that we take very seriously in the Department of the Navy. We continue to look at contractual services spending for efficiencies, with conscious decisions made to challenge requirements through mechanisms such as "contract courts," requiring annual justification of contracts. We are willing to accept higher levels of risk in some areas of services spending before sacrifices are made in force structure, modernization, or readiness. I have also ordered the Deputy Under Secretary of the Navy/Deputy Chief Management Officer to begin a comprehensive assessment of the business challenges facing the Navy and Marine Corps.

The fiscal year 2015 budget request for the Navy and Marine Corps gives us what we need to accomplish the missions assigned in the new Quadrennial Defense Review and updated Defense Strategic Guidance. However, the funding levels allowed under the Bipartisan Budget Act mean that we have to accept higher levels of risk for some of those missions. If the Nation is confronted with a technologically advanced challenger, or more than one major contingency operation at a time, those risks would increase further. We face readiness challenges that are a result of sequester induced shortfalls, continuing fiscal constraints, and the high demand for naval forces globally.

CONCLUSION

This year we commemorate the 150th anniversary of the Battle of Mobile Bay. A century and a half ago our Nation was engulfed in the Civil War. A Task Force under the command of Admiral David Farragut, one of our Navy's greatest heroes, attacked the ships and forts that defended the port at Mobile, Alabama. Facing down Confederate Ironclads and a treacherous minefield in the shallow, enclosed waters, he issued his famous order, "Damn the Torpedoes, full speed ahead." Lashed high in the rigging of his flagship he led the attack from the front of the formation to capture the last major Confederate port on the Gulf Coast.

From the halls of Montezuma to Point Luck and the waters around Midway, our Sailors and Marines have demonstrate that kind of dedication and daring time and again. They, and our Navy and Marine Corps civilians, continue in that spirit today whether facing combat in Afghanistan, dangerous operations at sea, or the challenges created by the past year of budget instability. The budget request that we are making for fiscal year 2015, the specific details of which are included in the President's fiscal year 2015 budget submission, will provide them with the equipment, training, and resources they need to continue their efforts in support of our Nation's security. As our founding fathers outlined over two centuries ago, it is our responsibility to ensure that we maintain our Navy and Marine Corps.

Today we face a dangerous and challenging world. Rising powers and maritime territorial conflicts threaten freedom of navigation and the free trade of today's global economic system. Terrorist organizations continue to proliferate around the world. Political instability threatens to break into violence in numerous regions. The Navy and Marine Corps are our Nation's insurance policy. Our People, Platforms, Power and Partnerships must be efficiently developed and appropriately funded to ensure our ability to provide the President with the options required and the American people with the security they deserve.

For 238 years our Sailors and Marines have been there when the Nation called and we must endeavor to ensure that we are there for the future. Difficult times pose difficult questions, and the Commandant, CNO and I look forward to answering yours. The continued support of this committee is essential in ensuring the Navy and Marine Corps team has the resources it needs to defend our Nation now and in the future. As President Woodrow Wilson once said, "A powerful Navy, we have always regarded as our proper and natural means of defense."

Senator DURBIN. Thank you, Mr. Secretary.

Admiral Greenert.

STATEMENT OF ADMIRAL JONATHAN GREENERT, CHIEF OF NAVAL OPERATIONS, UNITED STATES NAVY

Admiral GREENERT. Thank you, Chairman Durbin, Vice Chairman Cochran, Chairwoman Mikulski, and distinguished members of the committee.

I am proud to represent 633,000 sailors, Navy civilians, and their families, especially the 50,000 sailors deployed and operating forward around the globe today. The dedication and resilience of our people continue to amaze me, Mr. Chairman. And the citizens of this Nation can take pride in the daily contributions of their sons and daughters in places that count.

I, too, offer my condolences to the family, friends, and shipmates of the sailor killed in Monday's shooting. Sailors of the USS *Mahan* and the Norfolk Naval Station family are in our thoughts and prayers. Also, our thoughts and prayers go out to the families of the deceased and those that are missing in the Washington State mudslide. We have shipmates and families there affected as well. And it has been a tough year at the Naval Academy. This will be our second loss for midshipmen, and we go out to that family. They are our shipmates as well, sir.

I am pleased to appear this morning beside Secretary Mabus and General Amos. Your Navy-Marine Corps team is united in fulfilling our longstanding mandate to be where it matters, when it matters, and to be ready to respond to crises to ensure the stability that underpins the global economy.

General Amos has been a great shipmate. Our synergy of effort of our two services has never been better, and I am committed to continuing that momentum.

Secretary Mabus has provided us the vision, the guidance, and the judiciousness to build the finest Navy and Marine Corps that this Nation is willing to afford.

Forward-presence is our mandate. We operate forward to give the President options to deal promptly with contingencies. As we conclude over a decade of wars and bring our ground forces home from extended stability operations, your naval forces are going to remain on watch.

The chartlet in front of you, the one that says, "Navy Today," shows today's global distribution of the deployed forces, as well as our bases and places that support those forces forward.

[The chart follows:]

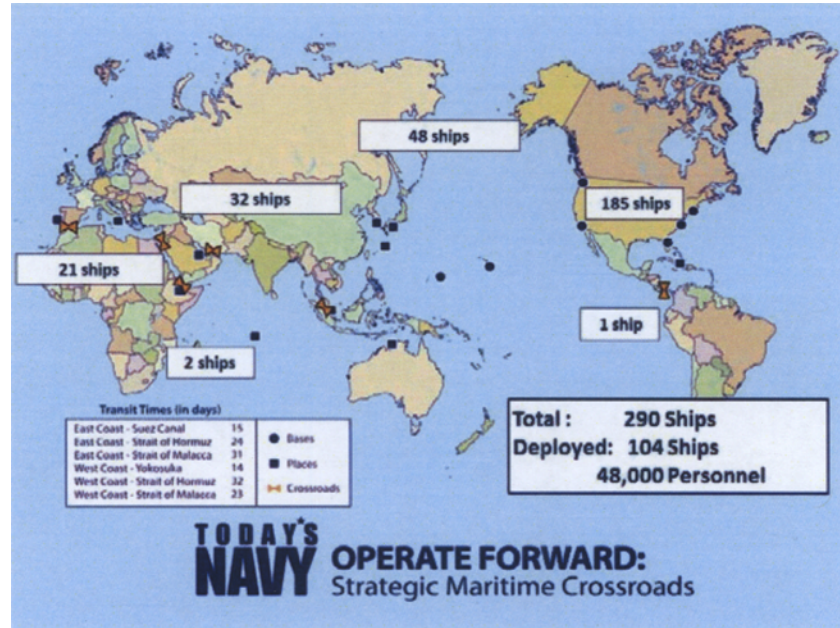


FIGURE 1: THE NAVY'S FORWARD PRESENCE TODAY.

Our efforts are focused in the Asia-Pacific and the Arabian Gulf, but we provide presence, and we respond as needed, in other theaters as well.

Now with this forward-presence, over the last year, we were able to influence and shape the decisions of leaders in the Arabian Gulf, Northeast Asia, and the Levant. We patrolled off the shores of Libya, Egypt, and Sudan to protect American interests and to induce regional leaders to make the right choices.

We relieved suffering and provided assistance and recovery in the Philippines in the wake of a devastating typhoon.

Our presence dissuades aggression and coercion against our allies and friends in the East and the South China Seas.

We kept piracy at bay in the Horn of Africa, and we continue to support operations in Afghanistan while taking the fight to insurgents, terrorists, and their supporting networks across the Middle East and Africa with our expeditionary forces and supporting special operations forces as well.

The fiscal year 2014 budget will enable an acceptable forward-presence. Through the remainder of fiscal year 2014, we will be able to restore fleet training, maintenance and operations, and recover a substantial part of the fiscal year 2013 backlog. And I thank the committee for their support in that regard.

The President's 2015 budget submission enables us to continue to execute these missions, but we will face high risk in specific missions articulated in the defense strategic guidance.

Our fiscal guidance through the FYDP (Future Years Defense Plan), for the President's budget 2015, is about halfway between the BCA caps and our President's budget 2014 plan. So it is still

a net decrease of \$31 billion when you compare it with President's budget 2014.

To prepare our program within these constraints, I set the following six priorities: Number one, provide the sea-based strategic deterrent; number two, forward-presence; three, capability and the capacity to win decisively; four, readiness; five, asymmetric capabilities and maintaining our technological edge where it matters; and number six, sustaining a relevant industrial base.

Using these priorities, we build a balanced portfolio of capabilities within the fiscal guidance we were provided. We continue to maximize our presence in the Asia-Pacific and the Middle East using innovative combinations of rotational, forward-basing, and forward-stationing of forces.

We still face shortfalls in support ashore with a backlog of facilities and maintenance that erode the ability of our bases to support the fleet.

We have slowed modernization in areas that are central to remain ahead of, or keep pace with, technologically advanced adversaries. So consequently, we face higher risk if we are confronted with a high-tech adversary, or if we attempt to conduct more than one multiphased major contingency simultaneously.

Mr. Chairman, I am troubled by the prospect of reverting back to the BCA revised caps in 2016. That would lead to a navy that is just too small and lacking in the advanced capabilities that we need to execute the missions that the Nation expects of our Navy.

We would be unable to execute at least 4 of the 10 primary missions articulated in the Defense Strategic Guidance in the Quadrennial Defense Review.

Looking back at the chartlet, that is the back of the chartlet that had "Navy Today," we laid out for you and provided our ability to respond to contingencies.

[The chart follows:]

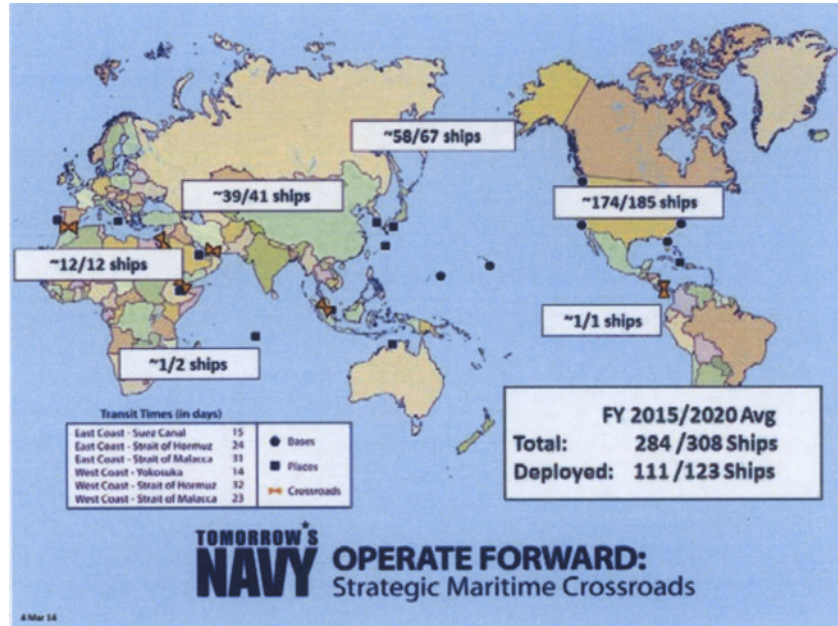


FIGURE 2: NAVY'S PROJECTED FORWARD PRESENCE IN FISCAL YEAR 2015 AND FISCAL YEAR 2020

And you can see it would be dramatically reduced, limiting our options and decision space, and we would be compelled to inactivate an aircraft carrier and an air wing.

Further, you can see our modernization and recapitalization will be dramatically reduced—you can see the Xs through the icons there—threatening readiness in our industrial base.

Reverting to BCA caps year by year will leave our country less prepared to deal with crises. Our allies' trust will wane, and our enemies will be less inclined to be dissuaded or to be deterred.

PREPARED STATEMENT

So, Mr. Chairman, I remain on board with the efforts to get the fiscal house in order. I look forward to working with this committee to find solutions that enable us to sustain readiness while building an affordable, but a relevant, future force. The force has to be able to address a range of threats, contingencies, and high-consequence events that could impact our core interests.

I appreciate the opportunity to testify today, and I thank the committee for their previous support and their continued support for the Navy and families.

I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF ADMIRAL JONATHAN GREENERT

Chairman Durbin, Senator Cochran, and distinguished members of the committee: I am honored to represent more than 600,000 active and reserve Sailors, Navy Civilians, and their Families, especially the 48,000 Sailors who are underway on ships and submarines and deployed in expeditionary roles, around the globe today.

As the chartlet below shows, 104 ships (36 percent of the Navy) are deployed around the globe protecting the Nation's interests. This is our mandate: To be *where* it matters, *when* it matters.

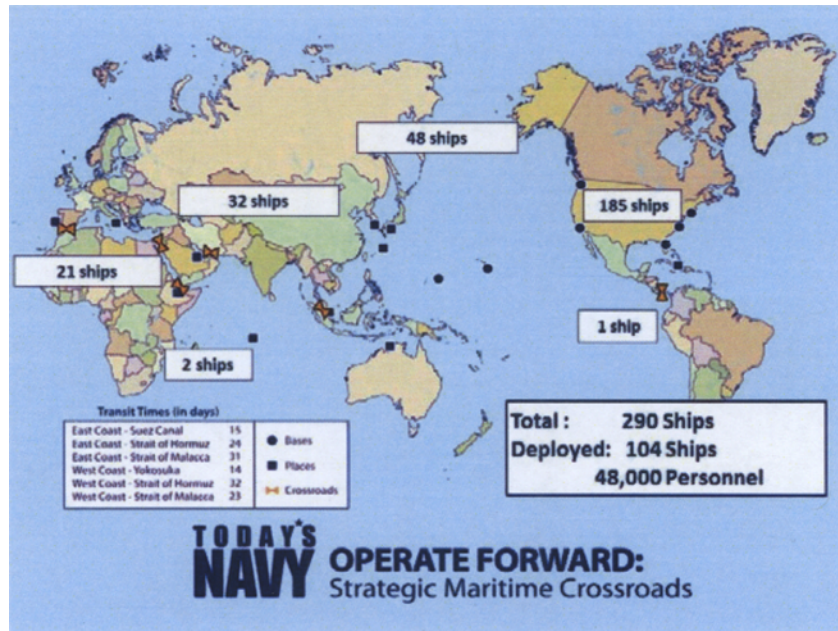


FIGURE 1: THE NAVY'S FORWARD PRESENCE TODAY.

I would like to begin this statement by describing for you the guidance that shaped our decisions within the President's budget for fiscal year 2015 (PB-15) submission. I will address the Navy's situation following the budget uncertainty in fiscal year 2013, the Bipartisan Budget Act of 2013 (BBA), and the National Defense Authorization Act (NDAA) for fiscal year 2014. Then, I will provide details of our PB-15 submission.

STRATEGIC GUIDANCE

The governing document for PB-15 is the 2014 Quadrennial Defense Review (QDR). The QDR uses the 2012 Defense Strategic Guidance (DSG) as a foundation and builds on it to describe the Department of Defense's role in protecting and advancing U.S. interests and sustaining American leadership. The DSG and its 10 *Primary Missions of the U.S. Armed Forces* have guided Navy's planning for the past 2 years. Validated by the QDR, those missions remain the baseline against which I measure our posture in various fiscal scenarios. Also, 2020 is the benchmark year identified by the DSG, and that remains the timeframe on which my assessments are focused.

The QDR's updated strategy is built on three pillars: Protect the Homeland, Build Security Globally, and Project Power and Win Decisively. In support of these, it requires the Navy to "continue to build a future fleet that is able to deliver the required presence and capabilities and address the most important warfighting scenarios."

In order to improve its ability to meet the Nation's security needs in a time of increased fiscal constraint, the QDR also calls for the Joint Force to "rebalance" in four key areas: (1) rebalancing for a broad spectrum of conflict; (2) rebalancing and sustaining our presence and posture abroad; (3) rebalancing capability, capacity, and readiness within the Joint Force; and (4) rebalancing tooth and tail. To satisfy these mandates of the QDR strategy, the Navy has been compelled to make tough choices between capability and capacity, cost and risk, and to do so across a wide range of competing priorities. Our fundamental approach to these choices has not changed since I assumed this position. We continue to view each decision through

the lens of the tenets I established when I took office: Warfighting First, Operate Forward, Be Ready.

OVERVIEW

When I appeared before the Senate Armed Services Committee in November 2013, I testified that adherence to the Budget Control Act of 2011 (BCA) revised discretionary caps, over the long term, would result in a smaller and less capable Navy. That Navy would leave us with insufficient capability and capacity to execute at least 4 of the 10 primary missions required by the DSG.

Passage of the BBA and the topline it sets for fiscal year 2015, together with the fiscal guidance provided for this submission provide a level of funding for the Navy that is \$36 billion above the estimated BCA revised discretionary caps across the fiscal year 2015 to fiscal year 2019 Future Years Defense Plan (FYDP). That funding level is still \$31 billion below the level planned for in our PB-14 submission. Accordingly, the Navy PB-15 program reduces risk in most DSG primary missions when compared to a BCA cap scenario, but we still face higher risk in at least two primary missions compared to PB-14. This high risk is most likely to manifest if we are faced with a technologically advanced adversary, or if we attempt to conduct more than one multiphased major contingency simultaneously.

In the PB-15 submission, we assess that the Navy of 2020 will:

- Include 308 ships in the Battle Force,¹ of which about 123 will be deployed. This global deployed presence will include more than two carrier strike groups (CSG) and two amphibious ready groups (ARG) deployed, on average. It is similar to the presence provided by PB-14.
- Provide “surge” capacity of about three CSG and three ARG, not deployed, but ready to respond to a contingency.
- Deliver ready forces to conduct the DSG primary mission Deter and Defeat Aggression, but with less margin for error or ability to respond to unforeseen or emergent circumstances, compared to PB-14.
- Conduct, but with greater risk, the DSG primary mission Project Power Despite Anti-Access/Area Denial (A2/AD) Challenges against a technologically advanced adversary compared to PB-14. This is principally due to slower delivery of new critical capabilities, particularly in air and missile defense, and overall ordnance capacity.
- Provide increased ship presence in the Asia-Pacific region of about 67 ships, up from about 50 on average today; presence in the Middle East will likewise increase from about 30 ships on average today to about 41 in 2020. These are both similar to the levels provided by PB-14.

In order to ensure the Navy remains a balanced and ready force while complying with the reduction in funding below our PB-14 plan, we were compelled to make difficult choices in PB-15, including slowing cost growth in compensation and benefits, maintaining the option to refuel or inactivate one nuclear aircraft carrier (CVN) and a carrier air wing (CVW), inducting 11 guided missile cruisers (CG) and three dock landing ships (LSD) into a phased modernization period, canceling procurement of 79 aircraft, canceling 3,500 planned weapons procurements, and reducing funding for base facilities sustainment, restoration, and modernization.

Additional challenges are on the horizon. In the long term beyond 2019 (the end of the PB-15 FYDP), I am increasingly concerned about our ability to fund the Ohio Replacement ballistic missile submarine (SSBN) program—our highest priority program—within our current and projected resources. The Navy cannot procure the Ohio Replacement in the 2020s within historical shipbuilding funding levels without severely impacting other Navy programs.

WHERE WE ARE TODAY

Before describing our fiscal year 2015 submission in detail, I will discuss the Navy's current posture, which established the baseline for our PB-15 submission.

The impact of the continuing resolution and sequestration reductions in fiscal year 2013 compelled us to reduce afloat and shore operations, which created an afloat and shore maintenance and training backlog. We were able to mitigate some

¹It should be noted that the Department of the Navy revised guidelines for accounting for the size of the Navy's Battle Force. Therefore, numbers in this statement are not directly comparable to those used in prior testimony. Changes to guidelines include clarifying the accounting for smaller, forward deployed ships (e.g. patrol coastal, mine countermeasures ships, high speed transports) and ships routinely requested by Combatant Commanders (e.g., hospital ships). The following illustrates the differences between new and old Battle Force accounting guidelines: PB-15 New Guidelines—Today: 290; Fiscal year 2015: 284; Fiscal year 2020: 308. PB-15 Old Guidelines—Today: 284; Fiscal year 2015: 274; Fiscal year 2020: 302.

of the effects of this backlog through reprogramming funds in fiscal year 2013 and Congressional action in fiscal year 2014 to restore some funding. Impact to Navy programs, caused by the combination of sequestration and a continuing resolution in fiscal year 2013 included:

- Cancellation of five ship deployments and delay of a carrier strike group (CSG) deployment.
- Inactivation, instead of repair, of USS *Miami* beginning in September 2013.
- Reduction of facilities sustainment by about 30 percent (to about 57 percent of the requirement).
- Reduction of base operations, including port and airfield operations, by about 8 percent (to about 90 percent of the requirement).
- Furlough of civilian employees for 6 days.

Shortfalls caused by fiscal year 2013 sequestration still remain in a number of areas. Shipbuilding programs experienced \$1 billion in shortfalls in fiscal year 2013, which were partially mitigated with support from Congress to reprogram funds and by fiscal year 2014 appropriations. PB-15 requests funding to remedy the remaining \$515 million in shipbuilding shortfalls. Funding to mitigate (but not enough to completely reconcile) other carryover shortfalls that remain in areas such as facilities maintenance, fleet spares, aviation depots, and weapons maintenance is requested in the Opportunity, Growth and Security (OGS) Initiative submitted to Congress with PB-15.

In fiscal year 2014, Congress's passage of the BBA and subsequent appropriations averted about \$9 billion of the estimated \$14 billion reduction we would have faced under sequestration. As a result:

- We are able to fully fund our fiscal year 2014 shipbuilding plan of eight ships.
- We are able to protect research, development, testing, and evaluation (RDT&E) funding to keep the *Ohio* Replacement Program—our top priority program—on track.
- We are able to fund all Navy aircraft planned for procurement in fiscal year 2014.

In our readiness programs, \$39 billion of the \$40 billion requirement was funded, enabling us to:

- Fund all ship maintenance.
- Fund all required aviation depot maintenance.
- Fully fund ship and aircraft operations.

The remaining \$5 billion shortfall below our PB-14 request includes about \$1 billion in operations and maintenance accounts and about \$4 billion in investment accounts. To deal with this shortfall, in the area of operations and maintenance we are aggressively pursuing contracting efficiencies in: Facilities sustainment projects, aviation logistics, and ship maintenance. To address the remaining investment shortages, we are compelled to reduce procurement of weapons and spare parts, to extend timelines for research and development projects, and to defer procurement of support equipment for the fleet.

OUR STRATEGIC APPROACH: PB-15

In developing our PB-15 submission, we evaluated the warfighting requirements to execute the primary missions of the DSG. These were informed by current and projected threats, global presence requirements defined by the Global Force Management Allocation Plan (GFMAP), and warfighting scenarios described in the Combatant Commanders' operational plans and Secretary of Defense-approved Defense Planning Scenarios (DPS). To arrive at a balanced program within fiscal guidance, we focused first on building appropriate capability, then delivering it at a capacity we could afford. Six programmatic priorities guided us:

First, maintain a credible, modern, and survivable sea-based strategic deterrent. Under the New START Treaty (New Strategic Arms Reduction Treaty), the Navy SSBN force will carry about 70 percent of the U.S. accountable deployed strategic nuclear warheads by 2020. Our PB-15 request sustains today's 14-ship SSBN force, the Trident D5 ballistic missile and support systems, and the Nuclear Command, Control, and Communications (NC3) system. The *Ohio*-class SSBN will retire, one per year, beginning in 2027. To continue to meet U.S. Strategic Command presence and surge requirements, PB-15 starts construction of the first *Ohio* Replacement SSBN in 2021 for delivery in 2028 and first deterrent patrol in 2031.

Second, sustain forward presence of ready forces distributed globally to be where it matters, when it matters. We will utilize cost-effective approaches such as forward basing, forward operating, and forward stationing ships in the Asia-Pacific, Europe, and the Middle East. Rotational deployments will be stabilized and more predictable through implementation of an improved deployment framework we call

the Optimized Fleet Response Plan (O-FRP). We will distribute our ships to align mission and capabilities to global region, ensuring high-end combatants are allocated where their unique capabilities are needed most. We will meet the adjudicated fiscal year 2015 Global Force Management Allocation Plan (GFMAP); however, this represents only 44 percent of the global Geographic Combatant Commander (GCC) requests. Sourcing all GCC requests would require about 450 combatant ships with requisite supporting structure and readiness.

Third, preserve the means (capability and capacity) to both win decisively in one multiphase contingency operation and deny the objectives of—or impose unacceptable costs on—another aggressor in another region. In the context of relevant warfighting scenarios, we assessed our ability to provide more than 50 end-to-end capabilities, also known as “kill chains” or “effects chains.” Each chain identifies all elements needed to provide a whole capability, including sensors, communications and networks, operators, platforms, and weapons. PB-15 prioritizes investments to close gaps in critical kill chains, and accepts risk in capacity or in the rate at which some capabilities are integrated into the Fleet.

Fourth, focus on critical afloat and ashore readiness to ensure “the force” is adequately funded and ready. PB-15 (compared to a BCA revised caps level) improves our ability to respond to contingencies (“surge” capacity) by increasing the readiness of non-deployed forces. However, it increases risk to ashore readiness in fiscal year 2015, compared to PB-14, by reducing facilities sustainment, restoration, and modernization (FSRM) and military construction (MILCON) investments. This reduction adds to backlogs created by the deferrals in fiscal year 2013 and fiscal year 2014, exacerbating an existing readiness problem.

Fifth, sustain or enhance the Navy’s asymmetric capabilities in the physical domains as well in cyberspace and the electromagnetic spectrum. Our fiscal year 2015 program prioritizes capabilities to remain ahead of or keep pace with adversary threats, including electromagnetic spectrum and cyber capabilities and those capabilities that provide joint assured access developed in concert with other Services under Air-Sea Battle. Our program terminates certain capability programs that do not provide high-leverage advantage, and slows funding for those that assume too much technical risk or could be developed and “put on the shelf” until needed in the future.

Sixth, sustain a relevant industrial base, particularly in shipbuilding. We will continue to evaluate the impact of our investment plans on our industrial base, including ship and aircraft builders, depot maintenance facilities, equipment and weapons manufacturers, and science and technology researchers. The government is the only customer for some of our suppliers, especially in specialized areas such as nuclear power. PB-15 addresses the health of the industrial base sustaining adequate capacity, including competition, where needed and viable. We will work closely with our industry partners to manage the risk of any further budget reductions.

Stewardship Initiatives.—Another important element of our approach in PB-15 included business transformation initiatives and headquarters reductions to comply with Secretary of Defense (SECDEF) direction. In order to maximize warfighting capability and capacity, the Department of the Navy achieved approximately \$20 billion in savings across the PB-15 FYDP through a collection of business transformation initiatives. These can be grouped into four major categories: (1) more effective use of operating resources (about \$2.5 billion over the FYDP); (2) contractual services reductions (about \$14.8 billion FYDP); (3) Better Buying Power (BBP) in procurement (about \$2.7 billion FYDP); and (4) more efficient research and development (about \$200 million FYDP). These initiatives build on Navy and Department of Defense (DOD) initiatives that date back to 2009 and represent our continuing commitment to be good stewards of taxpayer dollars.

Our PB-15 request also achieves savings through significant headquarters reductions, placing us on track to meet the 20-percent reduction by fiscal year 2019 required by SECDEF fiscal guidance. We applied reductions to a broader definition of headquarters than directed, achieving a savings of \$33 million in fiscal year 2015 and \$873 million over the FYDP from reductions in military, civilian, and contractor personnel. In making these reductions, we protected fleet operational warfighting headquarters and took larger reductions in other staffs.

WHAT WE CAN DO

As described earlier, PB-15 represents some improvement over a program at the BCA revised caps, but in PB-15 we will still face high risk in executing at least two of the ten primary missions of the DSG in 2020. The 2012 Force Structure As-

assessment² (FSA) and other Navy analysis describe the baseline of ships needed to support meeting each of the 10 missions required by the DSG. Against that baseline and our “kill chain” analysis described earlier, we assess that under PB-15 the Navy of 2020 supports each of the ten DSG missions as follows:

1. *Provide a Stabilizing Presence.*—Our PB-15 submission will meet the adjudicated presence requirements of the DSG. By increasing the number of ships forward stationed and forward based, PB-15 in some regions improves global presence as compared to our PB-14 submission. The Navy of 2020:

- Provides global presence of about 123 ships, similar to the aggregate number planned under PB-14.
- Increases presence in the Asia-Pacific from about 50 ships today on average to about 67 in 2020 on average, a greater increase than planned under PB-14.
- “Places a premium on U.S. military presence in—and in support of—partner nations” in the Middle East, by increasing presence from about 30 ships³ today on average to about 41 on average in 2020.
- Continues to “evolve our posture” in Europe by meeting ballistic missile defense (BMD) European Phased Adaptive Approach (EPAA) requirements with four BMD-capable guided missile destroyers (DDG) in Rota, Spain and two land-based sites in Poland and Romania. The first of these DDG, USS *Donald Cook*, arrived in February 2014 and all four will be in place by the end of fiscal year 2015. Additional presence in Europe will be provided by forward operating joint high speed vessels (JHSV) and some rotationally deployed ships.
- Will provide “innovative, low-cost and small-footprint approaches” to security in Africa and South America by deploying one JHSV, on average, to each region. Beginning in fiscal year 2015, we will deploy one hospital ship (T-AH), on average, and, beginning in fiscal year 2016, add one patrol coastal (PC) ship, on average, to South America. Afloat forward staging bases (AFSB) forward operating in the Middle East will also provide additional presence in Africa as required.

2. *Counter Terrorism and Irregular Warfare (CT/IW).*—We will have the capacity to conduct widely distributed CT/IW missions. This mission requires Special Operations Forces, expeditionary capabilities such as Intelligence Exploitation Teams (IET), and specialized platforms such as two AFSB and four littoral combat ships (LCS) with embarked MH-60 *Seahawk* helicopters and MQ-8 *Fire Scout* unmanned air vehicles. PB-15 adds capacity for this mission by procuring a third mobile landing platform (MLP) AFSB variant in fiscal year 2017 for delivery in fiscal year 2020.

3. *Deter and Defeat Aggression.*—FSA analysis described the ship force structure required to meet this mission’s requirement: to be able to conduct one large-scale operation and “simultaneously be capable of denying the objectives of—or imposing unacceptable costs on—an opportunistic aggressor in a second region.” According to the FSA, the Navy has a requirement for a force of 11 CVN, 88 large surface combatants (DDG and CG), 48 attack submarines (SSN), 11 large amphibious assault ships (LHA/D), 11 amphibious transport docks (LPD), 11 LSD, 52 small surface combatants (collectively: LCS, frigates, mine countermeasure ships) and 29 combat logistics force (CLF) ships. This globally distributed force will yield a steady state deployed presence of more than two CSG and two amphibious ready groups (ARG), with three CSG and three ARG ready to deploy in response to a contingency (“surge”). The Navy of 2020 delivered by PB-15, however, will be smaller than the calculated requirement in terms of large surface combatants, LHA/D, and small surface combatants. This force structure capacity provides less margin for error and reduced options in certain scenarios and increases risk in this primary mission. If we return to a BCA revised caps funding level in fiscal year 2016, the situation would be even worse. We would be compelled to inactivate a CVN and CVW and to reduce readiness and other force structure to ensure we maintain a balanced, ready force under the reduced fiscal topline. As in the BCA revised caps scenario I described previously, these reductions would leave us with a Navy that is capable of one multiphase contingency. Under these circumstances, we would not meet this key DSG mission.

4. *Conduct Stability and Counterinsurgency Operations.*—The Navy of 2020 will be able to meet the requirements of this DSG mission.

5. *Project Power Despite Anti-Access/Area-Denial (A2/AD) Challenges.*—Compared to PB-14, our overall power projection capability development would slow, reducing

²Consistent with other “ship counts” in this statement, the regional presence numbers described in this section are not directly comparable to those used in previous years due to the Battle Force counting guidelines revision.

³Under revised Battle Force accounting guidelines, the Middle East presence today now includes eight patrol coastal (PC) ships forward based in Bahrain; the number will increase to 10 in fiscal year 2014. PC were not counted previously before the revision.

options and increasing our risk in assuring access. The reduced procurement of weapons and slowing of air and missile defense capabilities, coupled with joint force deficiencies in wartime information transport and airborne intelligence, surveillance, and reconnaissance (ISR), will cause us to assume high risk in conducting this DSG mission if we are facing a technologically advanced adversary. PB-15 makes results in the following changes to air and missile defense capabilities (versus PB-14):

- The Navy Integrated Fire Control-Counter Air (NIFC-CA) Increment I capability will still field (with the E-2D *Advanced Hawkeye* aircraft) in 2015, but only four air wings (versus six in PB-14) will have transitioned to the E-2D by 2020. Fewer air wings with E-2D translates to less assured joint access. NIFC-CA Increment I integrates aircraft sensor and ship weapon capabilities, improving lethality against advanced air and missile threats.
- The F-35C *Lightning II*, the carrier-based variant of the Joint Strike Fighter, is scheduled to achieve Initial Operational Capability (IOC) between August 2018 and February 2019. However, our F-35C procurement will be reduced by 33 airframes in the PB-15 FYDP when compared to PB-14. The F-35C, with its advanced sensors, data sharing capability, and ability to operate closer to threats, is designed to enhance the CVW's ability to find targets and coordinate attacks. The impact of this reduced capacity would manifest itself particularly outside the FYDP, and after F-35C IOC.
- All components of an improved air-to-air kill chain that employs infrared (IR) sensors to circumvent adversary radar jamming will be delayed 1 year. The Infrared Search and Track (IRST) Block I sensor system will field in 2017 (versus 2016) and the improved longer-range IRST Block II will not deliver until 2019 (versus 2018).
- Improvements to the air-to-air radio frequency (RF) kill chain that defeats enemy jamming and operates at longer ranges will be slowed, and jamming protection upgrades to the F/A-18E/F *Super Hornet* will be delayed to 2019 (versus 2018).

However, PB-15 sustains our advantage in the undersea domain by delivering the following capabilities:

- PB-15 procures 56 P-8A *Poseidon* maritime patrol aircraft over the FYDP, replacing the legacy P-3C *Orion*'s capability.
- Continues to procure two *Virginia*-class SSN per year through the FYDP, resulting in an inventory of 21 *Virginia*-class (of 48 total SSN) by 2020.
- Continues installation of anti-submarine warfare (ASW) combat system upgrades for DDG and improved Multi-Function Towed Arrays (MFTA) for DDG and CG. Both installations will be complete on all DDG forward based in the Western Pacific by 2018.
- All of our P-8A and ASW helicopters in the Western Pacific will still be equipped with upgraded sonobuoys and advanced torpedoes by 2018.
- The LCS mine countermeasures (MCM) mission package, which employs unmanned vehicles and offboard sensors to localize and neutralize mines, will complete testing of its first increment in 2015 and deploy to the Arabian Gulf with full operational capability by 2019.
- The LCS ASW mission package, which improves surface ASW capability by employing a MFTA in concert with a variable depth sonar (VDS), will still field in 2016.
- Additional Mk 48 Advanced Capability (ADCAP) heavyweight torpedoes, restarting the production line and procuring 105 Mod 7 torpedoes across the FYDP. The restart will also provide a basis for future capability upgrades.

6. Counter Weapons of Mass Destruction.—This mission has two parts: (1) interdicting weapons of mass destruction as they proliferate from suppliers; and (2) defeating the means of delivery during an attack. PB-15 will meet requirements for this mission by providing sufficient deployed CSG, ARG, and surface combatants, as well as SEAL and EOD platoons, to address the first part. For the second part, BMD-capable DDG exist in sufficient numbers to meet adjudicated GCC presence requirements under the GFMAT, and can be postured to counter weapons delivered by ballistic missiles in regions where threats are more likely to emanate. That said, missile defense capacity in some scenarios remains a challenge and any reduction in the number of BMD-capable DDG raises risk in this area.

7. Operate Effectively in Space and Cyberspace.—Our PB-15 submission continues to place priority on cyber defense and efforts to build the Navy's portion of the Department of Defense's Cyber Mission Forces. Continuing PB-14 initiatives, PB-15 will recruit, hire, and train 976 additional cyber operators and form 40 cyber mission teams by 2016. Additionally, we will align Navy networks with a more defensible DOD Joint Information Environment (JIE) through the implementation of the

Next Generation Enterprise Network (NGEN) ashore and Consolidated Afloat Networks and Enterprise Services (CANES) at sea.

8. *Maintain a Safe, Secure, and Effective Nuclear Deterrent.*—This mission is the Navy’s top priority in any fiscal scenario, and our PB–15 submission will meet its requirements. It satisfies STRATCOM demand for SSBN availability through the end of the current *Ohio* class’ service life. Additionally, our PB–15 submission funds Nuclear Command, Control, and Communications (NC3) modernization and the Trident D5 ballistic missile Life Extension Program (LEP) while sustaining the fleet of E–6B *Mercury* Take Charge and Move Out (TACAMO) aircraft.

9. *Defend the Homeland and Provide Support to Civil Authorities.*—PB–15 will maintain an appropriate capacity of aircraft carriers, surface combatants, amphibious ships, and aircraft that are not deployed and are ready for all homeland defense missions.

10. *Conduct Humanitarian, Disaster Relief, and Other Operations.*—Our analysis determined that a global presence of two ARG and nine JHSV is sufficient to conduct these operations. Our PB–15 submission will support this level of presence.

MANPOWER, MODERNIZATION, WARFIGHTING CAPABILITY, AND READINESS

The following paragraphs describe more specific PB–15 programs actions that result from our strategic approach and influence our ability to conduct the missions required by the DSG:

End Strength.—PB–15 supports a fiscal year 2015 Navy active end strength of 323,600, and reserve end strength of 57,300. It appropriately balances risk, preserves capabilities to meet current Navy and Joint requirements, fosters growth in required mission areas, and provides support to Sailors, Navy Civilians and Families. We adjusted both Active and Reserve end strength to balance available resources utilizing a Total Force approach. PB–15 end strength remains fairly stable across the FYDP, reaching approximately 323,200 Active and 58,800 Reserve in fiscal year 2019.

Shipbuilding.—Our PB–15 shipbuilding plan combines the production of proven platforms with the introduction of innovative and cost effective platforms in order to preserve capacity while enhancing capability. Simultaneously, we will sustain efforts to develop new payloads that will further enhance the lethality and effectiveness of existing platforms and continue mid-life modernizations and upgrades to ensure their continued relevance. We will continue to field flexible, affordable platforms like AFSB and auxiliary ships that operate forward with a mix of rotational civilian and military crews and provide additional presence capacity for certain missions requiring flexibility, volume, and persistence. PB–15 proposes:

- Funding for 14 LCS across the FYDP (three per year in fiscal year 2015–2018 and two in fiscal year 2019). However, in accordance with SECDEF direction, we will cease contract negotiations after we reach a total of 32 ships (12 procured in the PB–15 FYDP). Per direction, we will assess LCS’s characteristics such as lethality and survivability, and we are studying options for a follow-on small surface combatant, and follow on flight of LCS.
- Two *Virginia*-class SSN per year, maintaining the planned 10-ship Block IV multiyear procurement (fiscal year 2014–fiscal year 2018).
- Two *Arleigh Burke*-class DDG per year, maintaining the 10-ship multiyear procurement (fiscal year 2013–2017). PB–15 procures 10 DDG (three Flight IIA and seven Flight III) in the FYDP. The first Flight III DDG, which will incorporate the advanced Air and Missile Defense Radar (AMDR), will be procured in fiscal year 2016 and delivered in fiscal year 2021.
- An additional AFSB variant of the *Montford Point*-class MLP in fiscal year 2017. This AFSB will deliver in fiscal year 2020 and will forward operate in the Asia-Pacific region.
- Three T–AO(X) fleet oilers (in fiscal year 2016, 2018, and 2019, respectively).
- Advanced procurement requested in fiscal year 2019 to procure one LX(R) amphibious ship replacement in fiscal year 2020.

Additionally, to comply with fiscal constraints, our PB–15 submission delays delivery of the second *Ford*-class CVN, USS *John F. Kennedy* (CVN 79) from fiscal year 2022 to fiscal year 2023.

Aviation.—PB–15 continues our transition to the Future Carrier Air Wing, which will employ manned and unmanned systems to achieve air, sea, and undersea superiority across capability “kill chains.” We will also continue to field more advanced land-based maritime patrol aircraft (manned and unmanned) to evolve and expand our ISR, ASW, and sea control capabilities and capacity. To further these objectives while complying with fiscal constraints, PB–15:

- Continues plans to transition the F/A-18E/F *Super Hornet* fleet from production to sustainment with the final 37 aircraft procured in fiscal year 2013 and scheduled for delivery in fiscal year 2015. Likewise, the final EA-18G *Growler* electronic warfare aircraft will be procured in fiscal year 2014 and delivered in fiscal year 2016. We are forced to assume the risk of moving to a single strike fighter prime contractor due to fiscal constraints.
- Maintains IOC of the F-35C *Lightning II* between August 2018 and February 2019. However, due to fiscal constraints, we were compelled to reduce F-35C procurement by 33 airframes across the FYDP.
- Maintains initial fielding of the E-2D *Advanced Hawkeye* and its NIFC-CA capability in fiscal year 2015. Due to fiscal constraints, we were compelled to reduce procurement by 10 airframes over the FYDP with four CVW completing transition to the E-2D by 2020, versus the preferred six in PB-14.
- Continues development of the Unmanned Carrier Launch Surveillance and Strike System (UCLASS), a major step forward in achieving integration of manned and unmanned systems within the CVW. UCLASS remains on a path to achieve Early Operational Capability (EOC) within 4 to 5 years of contract award, which is projected for fiscal year 2015.
- Continues to transition to the P-8A *Poseidon* maritime patrol aircraft from the legacy P-3C *Orion*. However, we were compelled by fiscal constraints to lower the final P-8A inventory objective from 117 to 109 aircraft. The warfighting requirement remains 117, but we can only afford 109.
- Continues development of the MQ-4C *Triton* land-based unmanned ISR aircraft. However, technical issues delayed the low-rate initial production decision from fiscal year 2015 to fiscal year 2016. Together with fiscal constraints, this reduces procurement of MQ-4C air vehicles in the FYDP from 23 to 16. *Triton* will make its first deployment to the Pacific in fiscal year 2017. The multi-INT version will start fielding in 2020.
- Aligns the MQ-8 *Fire Scout* ship-based unmanned helicopter program to LCS deliveries. Fiscal constraints and global force management (GFM) demands on our surface combatants compelled us to remove options to conduct dedicated ISR support to Special Operations Forces (SOF) from DDG and JHSV, but *Fire Scout*-equipped LCS can be allocated to Combatant Commanders by the GFM process to support this mission. This decision reduces procurement of MQ-8 air vehicles across the FYDP by 19.
- Continues our maritime Intelligence, Surveillance, Reconnaissance, and Targeting (ISR&T) transition plan to deliver increased ISR persistence by the end of fiscal year 2018 and exceed the aggregate capability and capacity of our legacy platforms by the end of fiscal year 2020. However, as we transition from legacy platforms like the EP-3E *Aries II*, fiscal constraints will compel us to take moderate risk in some collection capabilities over the next few years.

Modernization.—In parallel with recapitalization, PB-15 continues modernization of in-service platforms. Flight I and II of the *Arleigh Burke*-class DDG began mid-life modernization in fiscal year 2010, and will continue at the rate of 2 hulls per year (on average) through fiscal year 2016. In fiscal year 2017, we will begin to modernize Flight IIA DDG in parallel with Flight I and II in order to do so closer to the midpoint in the Flight IIA's service lives and increase return on investment. This will also increase operational availability and BMD capacity sooner than a serial, "oldest-first" plan. Nine of twelve *Whidbey Island*-class LSD have undergone a mid-life update and preservation program, and seven *Wasp*-class large deck amphibious assault ships (LHD) will complete mid-life modernization by fiscal year 2022. Modernization of the 8th LHD, USS *Makin Island* will be addressed in subsequent budget submissions.

The Navy's budget must also include sufficient readiness, capability and manpower to complement the force structure capacity of ships and aircraft. This balance must be maintained to ensure each unit will be effective, no matter what the overall size and capacity of the Fleet. To preserve this balance and modernize cruisers while avoiding a permanent loss of force structure and requisite "ship years," PB-15 proposes to induct 11 *Ticonderoga*-class CG into a phased modernization period starting in fiscal year 2015. Only fiscal constraints compel us to take this course of action; CG global presence is an enduring need. The ships will be inducted into phased modernization and timed to align with the retirements of CG such that the modernized ships will replace one-for-one, when they finish modernization. This innovative plan permits us to reapply the CG manpower to other manning shortfalls while simultaneously avoiding the operating costs for these ships while they undergo maintenance and modernization. The plan to modernize and retain the CG adds 137 operational "ship years" to the Battle Force and it extends the presence of the *Ticonderoga* class in the Battle Force to 58 years. It avoids approximately \$2.2 bil-

lion in operating and maintenance costs across the FYDP for 11 CG. In addition, it precludes Navy having to increase our overall end strength by about 3,400 people (approximately \$1.6 billion over the FYDP), which would otherwise be required to fill critical shortfalls in our training pipelines and fleet manning.

PB-15 also proposes to induct three *Whidbey Island*-class LSD into phased modernization availabilities on a “rolling basis” beginning in fiscal year 2016, with two of the three always remaining in service. Similar to the CG plan, the LSD plan avoids approximately \$128 million across the FYDP in operating and maintenance and an end strength increase of approximately 300 people (approximately \$110 million over the FYDP) for the one LSD that will be in this category during the PB-15 FYDP. This plan adds 35 operational “ship years” and sustains the presence of the *Whidbey Island* class in the Battle Force through 2038.

We appreciate the additional funding and expanded timeframe given by Congress for modernizing and operating the LSD and CG proposed for permanent inactivation in PB-13. Consistent with the spirit of Congressional action, we are committed to a phased modernization of these nine ships, plus an additional four CG and one LSD. However, funding constraints still make us unable to keep all of these ships operational in every year, in the near term. While we would prefer to retain all LSD and CG deployable through the FYDP, a balanced portfolio under current fiscal constraints precludes this.

To mitigate a projected future shortfall in our strike fighter inventory while integrating the F-35C, PB-15 continues the Service Life Extension Program (SLEP) for the legacy F/A-18A-D *Hornet*. With SLEP modifications, some of these aircraft will achieve as much as 10,000 lifetime flight hours, or 4,000 hours and 16 years beyond their originally designed life.

Electromagnetic Maneuver Warfare. In addition to the actions described earlier in the statement to improve air and missile defense and sustain our advantage in the undersea and information domains, our program enhances our ability to maneuver freely in the electromagnetic spectrum, while denying adversaries’ ability to do the same. It maintains our investment in the Ships’ Signals Exploitation Equipment (SSEE) Increment F, which equips ships with a robust capability to interdict the communications and targeting elements of adversary kill chains by 2020. It delivers upgraded electromagnetic sensing capabilities for surface ships via the Surface Electronic Warfare Improvement Program (SEWIP) Block 2 that will deliver in 2016. PB-15 then begins low rate initial production (LRIP) of SEWIP Block 3 in 2017 to add jamming and deception capabilities to counter advanced anti-ship cruise missiles. To enhance CVW capabilities to jam enemy radars and conduct other forms of electromagnetic spectrum maneuver warfare, PB-15 maintains our investments in the Next Generation Jammer (NGJ). NGJ will provide the EA-18G Growler with enhanced Airborne Electronic Attack (AEA) capabilities for conventional and irregular warfare. The current ALQ-99 jammer, which has been the workhorse of the fleet for more than 40 years, will not be able to meet all requirements in challenging future environments.

Mine Warfare. Mines are a low-cost, asymmetric weapon that can be effective in denying U.S. forces access to contested areas. To enhance our ability to counter mines in the Middle East and other theaters, our PB-15 program sustains investments in the LCS mine countermeasures (MCM) mission package, completing initial testing of its first increment in 2015 and achieving full operational capability in 2019. With these packages installed, LCS will locate mines at twice the rate our existing MCM ships can achieve, while keeping the LCS and its crew outside the mine danger area. LCS also has significantly greater on-station endurance and self-defense capability than existing MCM. PB-15 sustains our interim AFSB, USS *Ponce*, in service until fiscal year 2016. USS *Ponce* provides forward logistics support and command and control to MCM ships and helicopters, allowing them to remain on station longer and sustain a more rapid mine clearance rate. In the near-term, PB-15 continues funding for Mk 18 *Kingfish* unmanned underwater vehicles (UUV) and *Sea Fox* mine neutralization systems deployed to the Arabian Gulf today, as well as increased maintenance and manning for *Avenger*-class MCM ships forward based in Bahrain.

Precision Strike.—Our precision strike capabilities and capacity will be critical to success in any foreseeable future conflict. Accordingly, PB-15 funds research and development for the *Virginia* Payload Module (VPM) through fiscal year 2018 to increase *Virginia*-class SSN Tomahawk missile capacity from 12 to 40 missiles, mitigating the loss of capacity as *Ohio*-class guided missile submarines (SSGN) begin to retire in 2026. These efforts will support the option to procure the VPM with Block V of the *Virginia* class, as early as fiscal year 2019, in a future budget. Also in support of strike capacity, PB-15 sustains the existing Tactical Tomahawk cruise missile inventory by extending service life through investments in critical capability

enhancements and vital parts to achieve maximum longevity. To develop a follow-on weapon to replace Tactical Tomahawk when it leaves service, PB-15 commences an analysis of alternatives (AoA) in fiscal year 2015 for planned introduction in the 2024–2028 timeframe. Also, our program enhances CVW precision strike capabilities by integrating the Small Diameter Bomb II (SDB II) on the F/A-18 by 2019.

Anti-Surface Warfare.—To pace improvements in adversaries’ long-range anti-ship cruise missiles and maritime air defenses, PB-15 implements a plan to deliver next-generation anti-surface warfare (ASuW) capability. The program maintains current ASuW capability inherent in the Harpoon missile, Joint Standoff Weapon (JSOW) C-1, and Mk 48 ADCAP torpedoes. In the near term, we are pursuing options to develop an improved, longer range ASuW capability by leveraging existing weapons to minimize technical risk, costs, and development time. Additionally, PB-15 funds enhanced ASuW lethality for LCS by introducing a surface-to-surface missile module (SSMM) in fiscal year 2017. PB-15 accelerates acquisition of the next-generation Long Range Anti-Ship Missile (LRASM), fielding an early air-launched capability on the Air Force B-1B *Lancer* bomber in fiscal year 2018 and integration with the F/A-18E/F in fiscal year 2019. Additionally, PB-15’s restart of Mk 48 ADCAP production and acquisition of 105 Mod 7 torpedoes over the FYDP enhances submarine ASuW capacity and provides a basis for future capability upgrades.

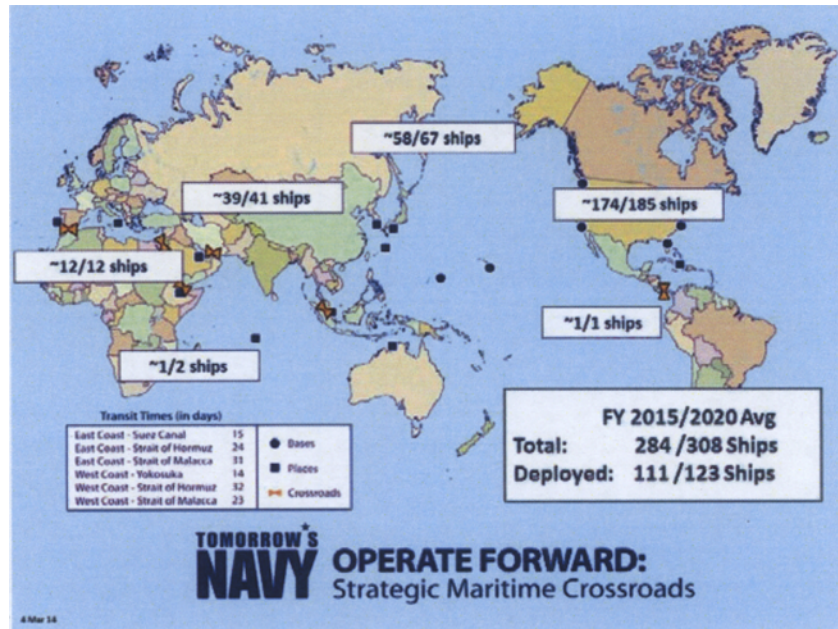


FIGURE 2: NAVY'S PROJECTED FORWARD PRESENCE IN FISCAL YEAR 2015 AND FISCAL YEAR 2020

Forward Presence.—PB-15 continues our DSG-directed rebalance to the Asia-Pacific both in terms of force structure and in other important ways. It increases our presence in the region from about 50 ships today on average to about 67 by 2020. In doing so, we continue to leverage our own “bases” in the region, such as Guam and Hawaii, as well as “places” where our allies and partners allow us to use their facilities to rest, resupply, and refuel. PB-15 continues to preferentially field advanced payloads and platforms with power projection capabilities, such as the F-35C *Lightning II*, the *Zumwalt*-class DDG, the AIM-120D Advanced Medium Range Air-to-Air Missile (AMRAAM), and the P-8A *Poseidon* to the Asia-Pacific first in response to the rapidly increasing A2/AD capabilities of potential adversaries in the region.

In our PB-15 submission, we seek to maximize our presence in the Asia-Pacific and other regions using both rotational and non-rotational forces. Rotational forces deploy to overseas theaters from homeports in the United States for finite periods, while non-rotational forces are sustained in theater continuously. Non-rotational

forces can be forward based, as in Spain and Japan, where ships are permanently based overseas and their crews and their families reside in the host country. Forward stationed ships operate continuously from overseas ports but are manned by crews that deploy rotationally from the United States, as is the case with the LCS deployed to Singapore, with four ships in place by 2017. Forward operating ships, by contrast, operate continuously in forward theaters from multiple ports and are manned by civilian mariners and small detachments of military personnel who rotate on and off the ships. Examples of forward operating ships include MLP, JHSV, AFSB, and the oilers and combat support ships of the Combat Logistics Force (CLF). Forward based, stationed, or operating ships all provide presence at a significantly lower cost since one ship that operates continuously overseas provides the same presence as about four ships deploying rotationally from homeports in the United States.

To capitalize on this advantage, our PB-15 program continues the move of four BMD-capable destroyers to Rota, Spain. The first of these, USS *Donald Cook*, is already in place, and three ships will join her by the end of fiscal year 2015. We will likewise forward base an additional (fourth) SSN in Guam in fiscal year 2015. PB-15 sustains our forward based MCM and PC in Bahrain, and forward stationed LCS will begin to assume their missions at the end of the decade. As JHSV are delivered and enter service, they will begin forward operating in multiple regions, including the Middle East in fiscal year 2014, the Asia-Pacific in fiscal year 2015, Africa in fiscal year 2016, and Europe in fiscal year 2017. USNS *Montford Point*, the first MLP, will deploy and begin forward operating from Diego Garcia in fiscal year 2015. USNS *Lewis B. Puller*, the first AFSB variant of the *Montford Point* class, will relieve our interim AFSB, USS *Ponce*, and begin forward operating in the Middle East in fiscal year 2016.

The Optimized Fleet Response Plan (O-FRP).—In addition to maximizing forward presence by basing ships overseas, our PB-15 submission also takes action to maximize the operational availability and presence delivered by units that deploy rotationally from the United States. In fiscal year 2015 we will begin implementation of the O-FRP, a comprehensive update to our existing Fleet Response Plan, the operational framework under which we have trained, maintained, and deployed our forces since 2003.

The legacy FRP employed units on repeating cycles about 30 months in length that were divided into four phases: Maintenance, basic training, integrated (advanced) training, and sustainment. Scheduled deployments of notionally 6 to 7 months were intended to take place in the sustainment phase, and the units' combat readiness was maintained for the remainder of the sustainment phase to provide "surge" capacity for contingency response.

Over the past few years, continuing global demand for naval forces coupled with reduced resources has strained the force. Continued demand in the Asia-Pacific, combined with increased commitments in the Persian Gulf, as well as responses to crisis events in Syria and Libya, coupled with an emerging global afloat BMD mission, have driven recent deployment lengths for certain units (CSG, ARG, and BMD-capable DDG in particular) as high as 8 to 9 months. Sequestration and a continuing resolution in fiscal year 2013 added to these pressures by hampering maintenance and training, which slowed preparation of ships and delayed deployments. In many instances, we have been compelled to shorten training and maintenance or to deploy units twice in the same sustainment cycle. While the FRP provides flexibility and delivers additional forces where required for crisis response, the increased operational tempo for our forces in recent years is not sustainable in the long term without a revision of the FRP. Reductions in training and maintenance reduce the combat capability and readiness of our forces and the ability of our ships and aircraft to fulfill their expected service lives. These effects combine with unpredictable schedules to impact our Sailors' "quality of service," making it more difficult to recruit and retain the best personnel in the long term.

The O-FRP responds to these schedule pressures and simultaneously makes several other process and alignment improvements to more effectively and efficiently prepare and deploy forces. Our analysis concluded that a 36-month deployment cycle (versus about 30 months) with scheduled deployments of up to 8 months (versus 6 to 7 months) is the optimal solution to maximize operational availability while maintaining stability and predictability for maintenance and training. Beyond scheduling, the O-FRP increases cohesiveness and stability in the composition of the teams we prepare for deployment by keeping the same group of ships and aircraft squadrons together in a CSG through successive cycles of training and deployment. The O-FRP also takes actions to make maintenance planning more predictable and maintenance execution more timely and cost-effective. It takes parallel

steps in training by closely aligning the many inspections and exercises that units must complete in a predictable, rationalized sequence.

Our PB-15 submission implements the O-FRP beginning in fiscal year 2015 with the *Harry S. Truman* CSG, and will implement it in all other CSG and surface combatants as they prepare for and execute their next deployments. The O-FRP will subsequently be expanded to amphibious ships (ARG) and we are studying the desirability of expanding it to submarines and other unit types in the future.

Fleet Readiness.—A central challenge in delivering the best Navy possible for the funds appropriated is properly balancing the cost of procuring force structure and capability with the cost of maintaining them at an appropriate level of readiness. When faced with a future of declining budgets, if we are returned to BCA revised caps funding levels in fiscal year 2016 and beyond, we are forced to make difficult decisions. Unstable budget levels (due to continuing resolutions and sequestration) force reductions in maintenance and training. Over time, this begins to take an untenable toll on our enduring ability to deploy forces that are sufficiently ready to complete their missions with acceptable risk and the ability of our ships and aircraft to reach their expected service lives. We are mandated to fund readiness. In a declining budget, we must look at reducing recapitalization and modernization. This can also have the consequences, of falling behind competitors in terms of capability and relevance, or we risk having too few ships and aircraft to execute certain missions in the future. As a result, we balance force structure capacity and capability with readiness in any financial situation.

Despite the reduction in funding below levels planned in PB-14, PB-15 strikes this balance and the result is a program that delivers sufficient readiness to meet our GFMAP presence commitments and provide sufficient “surge” capacity for contingency response.

As part of our efforts to sustain fleet readiness, Navy continues to improve its maintenance practices for surface ships by increasing governance, transparency, and accountability. Over the last several years, these practices have enabled us to decrease the amount of backlogged ship maintenance caused by high operational tempo.

Going forward, PB-15 funds Navy’s fiscal year 2015 afloat readiness to the DOD guidelines and goals. As in previous years, a supplemental funding request will be submitted to address some deployed ship operations, flying, and maintenance requirements.

Readiness and Investment Ashore.—To comply with fiscal constraints, we are compelled to continue accepting risk in shore infrastructure investment and operations. PB-15 prioritizes nuclear weapons support, base security, child development programs, and air and port operations. PB-15 funds facilities’ sustainment to 70 percent of the DOD Facilities Sustainment Model, and prioritizes repair of critical operational facilities like piers and runways, renovation of inadequate barracks, and improving the energy efficiency of facilities. Less critical repairs to non-operational facilities will be deferred; however, this risk will compound over years and must eventually be addressed.

Depot Maintenance Infrastructure.—Due to fiscal constraints, the Department of the Navy will not meet the mandated capital investment of 6 percent across all shipyards and depots described in 10 U.S.C. 2476 in fiscal year 2015. The Navy projects an investment of 3.5 percent in fiscal year 2015. PB-15 does, however, fund the most critical deficiencies related to productivity and safety at our Naval Shipyards. We will continue to aggressively pursue opportunities such as reprogramming or realignment of funds to find the appropriate funds to address this important requirement and mandate.

Base Realignment and Closure (BRAC).—PB-15 continues to fund environmental restoration, caretaking, and property disposal at BRAC 2005 and prior-round BRAC installations. We meet the legal mandates at all levels from previous BRAC rounds.

HEALTH OF THE FORCE

Compensation Reform and Quality of Service.—PB-15 addresses readiness by applying an important concept: Quality of service. Quality of service has two components: (1) quality of work, and (2) quality of life. Both are intrinsically tied to readiness. At work, the Navy is committed to providing our Sailors a challenging, rewarding professional experience, underpinned by the tools and resources to do their jobs right. Our obligations don’t stop at the bottom of the brow. We support our Navy Families with the proper quality of life in terms of compensation, professional and personal development, and stability (i.e., deployment predictability). Our Sailors are our most important asset and we must invest appropriately to keep a high caliber all-volunteer force.

Over the last several years, Congress has been generous in increasing our benefits and compensation by approving pay raises, expanding tax-free housing, increasing healthcare benefits for retirees, and enhancing the GI Bill. This level of compensation and benefits, while appropriate, is costly and will exceed what we can afford.

Personnel costs for military and civilian personnel make up about half of DOD's base budget—a share that continues to grow and force tradeoffs with other priorities. It is a strategic imperative to rein in this cost growth; therefore, we propose to slow rates of military pay raises, temporarily slow Basic Allowance for Housing growth, and reduce indirect subsidies provided to commissaries. Coupled with reductions in travel expenses, these reforms will generate \$123 million in Navy savings in fiscal year 2015 and \$3.1 billion across the FYDP. None of these measures will reduce our Sailors' pay.

When my Senior Enlisted Advisor (the Master Chief Petty Officer of the Navy) and I visit Navy commands around the world, the message I get from our Sailors is that they want to serve in a force that is properly manned and one that provides them with the tools, training, and deployment predictability they need to do their jobs. Sailors tell us that these factors are as important as compensation and benefits. Any Navy savings from compensation reform, therefore, will be re-invested to quality of service enhancements that include:

- Increases in travel funding for training.
- Expansion of the Navy e-Learning online training system.
- Improvement in training range and simulation capabilities, simulated small arms training, and other shore-based simulators and trainers for surface ship and submarine personnel.
- Additional aviation spare parts.
- Enhancements to aviation logistics and maintenance.
- Enhancements to surface ship depot maintenance.
- Increasing financial incentives for Sailors serving in operational capacities at sea.
- Increasing retention bonuses.
- Enhancing Base Operating Support (BOS) funding to improve base services for Sailors and their families.
- Restoring of \$70 million per year of funding for renovation of single Sailors' barracks that we were previously compelled to reduce due to fiscal constraints.
- Military construction projects for five barracks and a reserve Navy Operational Support Center (NOSC).
- Improving berthing barges in Yokosuka, Japan that house Sailors while forward based ships undergo depot maintenance.
- Increasing support to active commands by Selected Reserve (SELRES) personnel, thereby reducing workloads on active duty personnel.
- Implementing an information technology (IT) solution that enables Reserve personnel to remotely access Navy IT resources in support of mission objectives.
- Increasing funding for recapitalization projects at our flagship educational institutions.

For the same reasons we support reform of pay and other benefits, the Navy also supports DOD-wide proposals in PB-15 to reduce military healthcare costs by modernizing insurance options for dependents and retirees, and through modest fee and co-pay increases that encourage use of the most affordable means of care.

Enduring Programs.—Along with the plans and programs described above, I remain focused on enduring challenges that relate to the safety, health, and well-being of our people. In June 2013, we established the Navy 21st Century Sailor Office (OPNAV N17), led by a flag officer, to integrate and synchronize our efforts to improve the readiness and resilience of Sailors and their Families. The most pressing and challenging problem that we are tackling in this area is sexual assault.

Sexual Assault.—The Navy continues to pursue a deliberate strategy in combating sexual assault. We continue to focus on preventing sexual assaults, supporting and advocating for victims, improving investigation programs and processes, and ensuring appropriate accountability. To assess effectiveness and better target our efforts, Navy's Sexual Assault Prevention and Response (SAPR) program is driven by a metrics-based strategic plan that focuses on care and support to victims, as well as individual, command and institutional efforts to prevent this destructive crime. We receive feedback directly from our Sailors through surveys, polls, and Fleet engagements, which steers our program and efforts. In fiscal year 2013, more Sailors than ever came forward to report incidents, many of which occurred months or even years prior.

Sustaining a world-class response and victim advocacy system remains a top priority; preventing sexual assaults from occurring is an imperative. Our strategy focuses on creating a climate where behaviors and actions that may lead to sexual

assault, as well as sexual assault itself, are not tolerated, condoned or ignored. This multi-faceted approach focuses on command climate; deterrence; and bystander intervention. To prevent more severe crimes in the continuum of harm, we are concentrating our leadership efforts on ending the sexist and destructive behaviors that lead up to them. Our metrics indicate that Sailors are reporting unacceptable behavior and that commands are taking it seriously.

We will continue to measure, through surveys and reports, prevalence data, command climate and perceptions of leadership support, investigation length, and victim experience with our response and investigative system. We also measure key statistics about the investigative and adjudication process itself, such as length of time from report to outcome, as we continue to ensure a balanced military justice system for all involved. These metrics will be utilized to further improve and refine our prevention strategy, as well as inform a DOD-wide report to the President due in December 2014.

Every Sailor and Navy Civilian deserves to work in an environment of dignity, respect, and trust. We hold our leaders accountable for creating a command climate that promotes these basic principles and thereby reduces the likelihood of an environment where sexual harassment might occur. We are strengthening our sexual harassment prevention policy by separating it from Equal Opportunity and aligning it with previous SAPR policy amendments, which have resulted in increased trust in our system to report incidents.

When sexual assaults do occur, we ensure the victims' rights and preferences are respected throughout the investigative and disposition processes. In October 2013, we established the Victims' Legal Counsel (VLC) Program. The program is currently staffed by 25 Navy judge advocates acting as VLC, providing legal advice and representation to victims. The program will eventually expand to 29 VLC located on 23 different installations, and VLC services are already available to all eligible victims worldwide. Our VLC work to protect and preserve the rights and interests of sexual assault victims, and in the case of investigation and prosecution, to ensure victims understand the process, can exercise their rights, and are able to have a voice in the process.

However, work remains to be done. Despite 80 percent of Sailors reporting confidence in the Navy's response system to sexual assault and 86 percent agreeing that the Navy and their individual commands are taking actions to prevent sexual assault, nearly 50 percent cite "fear of public exposure" or "shame" as barriers to reporting. We continue to seek ways to overcome these perceived barriers.

We greatly appreciate Congress's interest and support in our efforts to combat sexual assault, particularly the measures contained in the NDAA for fiscal year 2014. We are fully engaged in implementing the new requirements and we believe that given time to measure progress following full implementation, we will be able to better assess whether any additional legislative or policy measures are required. We remain committed to eradicating sexual assault within our ranks and ensuring that sexual assault cases are processed through a fair, effective, and efficient military justice system. We must ensure that all changes to the system do not adversely impact the interests of justice, the rights of crime victims, or the due process rights of the accused.

Suicide.—Another critical problem we are focused on is suicides. Suicides in the Navy declined last year by 28 percent, from 65 in 2012 to 47 in 2013. This is cautiously optimistic, but one suicide is still one too many. Preventing suicide is a command-led effort that leverages a comprehensive array of outreach and education. We cannot tell precisely what combination of factors compel an individual to contemplate suicide, so we address it by elevating our awareness and responsiveness to individuals we believe may be in trouble. For example, all Sailors learn about bystander intervention tool known as "A.C.T." (Ask-Care-Treat) to identify and encourage at-risk shipmates to seek support. We also know that investing in the resilience of our people helps them deal with any challenge they may face.

Resilience.—Our research shows that a Sailor's ability to steadily build resilience is a key factor in navigating stressful situations. Education and prevention initiatives train Sailors to recognize operational stress early and to use tools to manage and reduce its effects. Our Operational Stress Control (OSC) program is the foundation of our efforts to teach Sailors to recognize stressors in their lives and mitigate them before they become crises. In the past year, we expanded our training capacity by 50 percent and increased OSC mobile training teams (MTT) from four to six. These MTT visit each command within 6 months of deployment and teach Sailors resiliency practices to better manage stress and avoid paths that lead to destructive behaviors.

In addition, we are strengthening support to Sailors who are deployed in unfamiliar surroundings. We have started a program to assign trained and certified pro-

professionals as Deployed Resiliency Counselors (DRC) to our largest ships, the CVN and LHA/D. DRC are credentialed clinical counselors that can assist or provide support to Sailors who are coping with or suffering from common life events, common life stressors, and discrete traumatic events that may include sexual assault. This initiative extends the reach of Navy's resiliency programs to deployed commands and allows a "warm hand-off" to shore services when the Sailor returns to homeport.

Character Development.—At all levels in the Navy, leadership, character, and integrity form the foundation of who we are and what we do. These bedrock principles are supported by our culture of accountability, command authority, and personal responsibility. Leadership failures and integrity shortfalls undermine our organization and erode public trust. We will continue to reinforce standards and hold those who violate the rules appropriately accountable.

One avenue by which we instill character and ethics in our leaders is by teaching ethics education and character development in the College of Operational and Strategic Leadership at the Naval War College. Building on this effort and other guidance to the force, in January 2013, I approved the Navy Leader Development Strategy to promote leader character development, emphasize ethics, and reinforce Navy Core Values. This strategy provides a common framework to develop Navy leaders at every stage of a Sailor's career. We are implementing an integrated framework through a career-long continuum that develops our leaders with the same attentiveness with which we develop our weapons systems. The focus on character development in our professional training continuum has increased, and we employ techniques such as "360 degree" assessments and peer mentoring to help young officers better prepare to be commanding officers. The Navy Leader Development Strategy reemphasizes and enhances the leadership, ethics, and professional qualities we desire in our force.

Family Readiness Programs.—Family readiness is fully integrated into our Navy's call to be ready. The critical programs which support our families are also overseen by the policy and resourcing lens of our 21st Century Sailor Office. These programs and services assist Sailors and their families with adapting to and coping with the challenges of balancing military commitment with family life. Fleet and family support programs deliver services in four key areas: Deployment readiness, crisis response, career support and retention, and sexual assault prevention and response.

This past year, our Family Advocacy program (FAP) has implemented the DOD Incident Determination Committee (IDC) & Clinical Case Staff Meeting (CCSM) model Navy-wide. This model ensures standardization and consistency in child abuse and domestic abuse decisionmaking. It also guarantees that only those with clinical expertise in child abuse and domestic abuse are involved in determining treatment plans.

Other career and retention support services include the family employment readiness program, personal financial management, and the legislatively mandated Transition Goals, Plan, Success program to assist separating Sailors. Increased stress and longer family separations have amplified program demand and underlined the importance of these support programs and services to ensure the psychological, emotional and financial well-being of returning warriors and their families. Financial issues are still the number one cause of security clearance revocation and our financial counselors have noted an increase in the number of Sailors entering the Service with debt, including student loan debt. We continually monitor the environment for predatory lending practices targeting Service Members and families.

Auditability.—To be good stewards of the funding appropriated by Congress, effective internal controls over our business operations and auditability of our outlays is essential. It remains our goal to achieve full financial auditability by the end of fiscal year 2017. Our near-term objective is to achieve audit readiness on the Department of the Navy's Schedule of Business Activity (SBA) in fiscal year 2014, and thus far, 8 of the 10 components of Navy's SBA have been asserted as audit ready. In the area of property management, the Department has asserted audit readiness for 7 of 13 property subclasses, and 4 of those have been validated as audit ready. Continuing resolutions and sequestration in fiscal year 2013 and fiscal year 2014 have had no measurable impact on our ability to meet the fiscal year 2014 SBA auditability mandate, but they have increased risk to our ability to meet the fiscal year 2017 full financial auditability requirement.

CONCLUSION

We believe it is vital to have a predictable and stable budget to develop and execute an achievable program to conduct the 10 primary missions outlined in the DSG, and support the pillars and "rebalance" called for in the QDR.

PB-15 proposes the best balance of Navy capabilities for the authorized amount of funding. It sustains sufficient afloat readiness in today's Navy but accepts more risk while building a future fleet that is able to conduct full-spectrum operations. I remain deeply concerned that returning to BCA revised caps spending levels in fiscal year 2016 will lead to a Navy that would be too small and lacking in the advanced and asymmetric capabilities needed to conduct the primary missions required by our current guidance: The DSG and the QDR.

Senator DURBIN. Thanks, Admiral.

General Amos, let me join in the chorus of gratitude for your service to our Nation, but let me also add, Bonnie, your wife, who was kind enough to host us when some of the committee members joined me for dinner at your residence at the Marine Corps Barracks. She was a terrific hostess that evening, and I am sure has been a great partner as you have served our Nation so well.

So thank you very much for that, and we appreciate your testimony.

STATEMENT OF GENERAL JAMES AMOS, COMMANDANT, UNITED STATES MARINE CORPS

General AMOS. Mr. Chairman, thank you very much for those kind words.

And I will pass that to Bonnie as well. She's been a great teammate for 44 years, and so it will be an emotional end to the year and an end to my commandancy and my time there.

So, Chairman Durbin, Chairwoman Mikulski, thank you for being here and making the effort to come this morning, ma'am.

Vice Chairman Cochran, Senator Shelby, thank you again for coming this morning.

And, members of the committee, I am pleased to appear before you to speak about your United States Marine Corps this morning.

Since our founding in 1775, Marines have answered the Nation's call, faithfully protecting the American people and maintaining a world-class standard of military excellence.

Nothing has changed. Nothing will change in the future.

And yet, we find ourselves today at a strategic inflection point. After 12 years of war, we are drawing down our forces in Afghanistan, resetting our institution and what we have called reawakening the soul of the Corps.

Today we are challenged by fiscal uncertainty that threatens both our capacity and our capabilities, forcing us to sacrifice our long-term health for near-term readiness.

I have testified before this committee many times that despite these challenges, I remain committed to fielding the most capable and most ready Marine Corps the Nation can afford.

Our greatest asset is the individual marine, the young man or woman who wears my cloth.

Our unique role, as America's signature crisis-response force, is grounded in the legendary character and warfighting ethos of our people.

As we reset and prepare for future battles, all marines are rededicating themselves to those attributes that carried marines across the wheat fields and into the German machine guns at Belleau Wood in March 1918; those same attributes that enabled the raw combat-inexperienced young Marines to courageously succeed against a determined enemy at America's first offensive operation

in the Pacific, the attack at Guadalcanal on August 7, 1942; and lastly, those timeless strengths of character and gut courage that enabled marines to carry the day in an Iraqi town named Fallujah, and against a determined enemy in the Taliban strongholds of Marjah and Sangin.

Your corps is rededicating itself to those simple, timeless attributes of persistent discipline; faithful obedience to orders and instructions; concerned and engaged leadership 24 hours a day, 7 days a week; and strict adherence to standards.

These ironclad imperatives have defined our corps for 238 years. They will serve us well in the decades to come.

As we gather here today, some 30,000 marines are forward-deployed around the world, promoting peace, protecting our Nation's interests, and securing our defense.

But we do not do this alone. Our partnership with the Navy provides America an unmatched naval expeditionary capability. Our relationship with the Navy is a symbiotic one.

My relationship with Admiral Jon Greenert, quite frankly, is unprecedented. This is why I share CNO's concerns about the impacts associated with a marked paucity of ships and shipbuilding funds.

America's engagement throughout the future security environment of the next two decades will be naval in character, make no mistake about that. To be forward-engaged, and to be present when it matters most, we need capital ships. And those ships need to be loaded with United States Marines.

Expeditionary naval forces are America's insurance policy. We are a hedge against the uncertain and unpredictable world. The Navy-Marine Corps team provides power projection from the sea, responding immediately to crises when success is measured in hours, not in days.

From the super-typhoon that tragically struck the Philippines late last year, to the rescue of American citizens over Christmas in South Sudan, your forward-deployed naval forces were there. We carried the day for America.

As the joint force draws down, and we conclude combat operations in Afghanistan, some argue that we are done with conflict. My view is different.

As evidenced in the events currently unfolding in Central Europe, the world will remain a dangerous and unpredictable place.

There will be no peace dividend for America, ladies and gentlemen, nor will there be a shortage of work for its United States Marines.

PREPARED STATEMENT

Ladies and gentlemen, we will not do less with less. Quite frankly, we will do the same with less.

In closing, you have my promise that we will only ask for what we need. We will continue to prioritize and make the hard decisions before ever coming before this committee.

Once again, I thank the committee, your faithfulness to our Nation, your Navy forces, and your marines. And I am prepared to answer your questions.

[The statement follows:]

PREPARED STATEMENT OF GENERAL JAMES F. AMOS

AMERICA'S CRISIS RESPONSE FORCE

The United States Marine Corps is the Nation's crisis response force. Since our founding in 1775, Marines have answered the Nation's call, faithfully protecting the American people and maintaining a world-class standard of military excellence. Today we are at a strategic inflection point. Fiscal uncertainty has threatened both our capacity and capabilities, forcing us to sacrifice our long-term health for near-term readiness. Despite these fiscal challenges, we remain committed to fielding the most ready Marine Corps the Nation can afford. Around the globe Marines stand ready to engage America's adversaries or respond to any emerging crisis. Thanks to the support of Congress, the American people will always be able to count on the Marine Corps to fight and win our Nation's battles.

America is a maritime nation: Its security, resilience, and economic prosperity are fundamentally linked to the world's oceans. Our naval forces serve to deter and defeat adversaries, strengthen alliances, deny enemies sanctuary, and project global influence. The amphibious and expeditionary components of our naval force allow us to operate with assurance in the world's littoral areas. The Marine Corps and the Navy are prepared to arrive swiftly from the sea and project influence and power when needed. Operating from the sea, we impose significantly less political burden on our partners and allies, while providing options to our Nation's leaders. We remain committed to the mission of assuring access for our Nation's forces and its partners.

Forward deployed naval forces enable our Nation to rapidly respond to crises throughout the world. The ability to engage with partnered nations, through highly trained and self-sustaining forces, maximizes America's effectiveness as a military power. For approximately 8 percent of the Department of Defense's (DOD) budget, the Marines Corps provides an affordable insurance policy for the American people and a highly efficient and effective hedge against global and regional tensions that cause instability. We provide our Nation's leaders with time and decision space by responding to today's crisis, with today's forces . . . TODAY.

Naval Character

We share a rich heritage and maintain a strong partnership with the United States Navy. Together we provide a fundamental pillar of our Nation's power and security—the ability to operate freely across the seas. Security is the foundation of our Nation's ability to maintain access to foreign markets and grow our economy through trade around the world. The Navy-Marine Corps relationship has never been better; we will continue to advance our shared vision as our Nation transitions from protracted wars ashore and returns its focus to the maritime domain.

Throughout more than a decade of sustained operations ashore in Iraq, Afghanistan, and elsewhere, we continued to deploy thousands of Marines aboard amphibious warships around the globe. The Navy and Marine Corps remains postured to provide persistent presence and engagement, maintaining a constant watch for conflict and regional unrest. Well-trained Marine units embarked aboard U.S. Navy warships increase the Nation's ability to deter and defend against emerging threats. Our adaptability and flexibility provide unmatched capabilities to combatant commanders.

Unique Roles and Missions

The Marine Corps provides unique, sea-based capabilities to the joint force. Our forward deployed amphibious based Marines have long played a critical role across the full range of military operations. We assure littoral access and enable the introduction of capabilities provided by other military services, Government agencies, nongovernmental organizations, allies, and international partners. The stability and vitality of the global economic system is dependent on this capability, especially where our Nation's vital interests are challenged.

The Marine Corps provides operating forces that are a balanced air-ground-logistics team. They are responsive, scalable and self-sustaining. As our Nation's middle-weight force, we must maintain a high state of readiness, able to respond wherever and whenever the Nation requires. Crisis response requires the ability to expand the expeditionary force after its introduction in theater. The Marine Air-Ground Task Force (MAGTF) modular structure lends itself to rapidly right sizing the force as the situation demands, to include a joint or combined force.

Global Crisis Response

At our core, the Marine Corps is the Nation's crisis response force and fulfilling this role is our top priority. We have earned a reputation as the Nation's most forward deployed, ready, and flexible force. Our performance over the past decade underscores the fact that responsiveness and versatility are always in demand. Marines formed the leading edge of the U.S. humanitarian response to earthquakes in Pakistan and Haiti, and disasters in the Philippines and Japan, all while fully committed to combat operations in Iraq or Afghanistan.

During 2013, four Marine Expeditionary Units (MEUs) and their partnered Amphibious Ready Groups (ARGs) participated in overseas operations and exercises. These forward deployed amphibious forces—normally built around a three-ship amphibious squadron with 2,200 embarked Marines—provided a uniquely trained and integrated task force, postured to immediately respond to emerging crises. The Marine Corps has placed increased emphasis over the past several years partnering with coalition nations. Through security cooperation activities we advance mutual strategic goals by building capacity, deterring threats, and enhancing our crisis response capabilities. Throughout the year, ARG-MEUs strengthened our relationships through major exercises and operations with partnered nations which include Saudi Arabia, Kuwait, United Arab Emirates, Jordan, Egypt, Qatar, Oman, India, Thailand, Australia, Japan and the Philippines.

Super Typhoon Haiyan.—Typhoon Haiyan struck the Philippines on November 7, 2013 with winds gusting up to 195 mph, the fourth highest ever recorded. Even before the storm reached landfall, Marines and Sailors forward-based in Okinawa were preparing to respond. After returning to home port, elements of the 31st MEU embarked aboard USS *Germantown* and USS *Ashland* to support Typhoon Haiyan Humanitarian Assistance/Disaster Relief operations in the Philippines. Within eight hours, Marine Forces forward based in the Pacific Theater provided the initial humanitarian response. This effort was followed by a Marine Corps led Joint Task Force, to include Marine MV-22 and KC-130J aircraft that flew 1,205 sorties (totaling more than 2,500 flight hours), delivered more than 2,005 tons of relief supplies and evacuated 18,767 Filipinos, 540 American citizens and 301 third country nationals. These efforts were closely coordinated on scene with the U.S. Agency for International Development's office of Foreign Disaster Assistance. With the long-standing partnership and trust built between our two nations, Marines were able to rapidly respond with critically needed capabilities and supplies in times of crisis. This operation underscores the point, that trust is established and nurtured through forward presence . . . trust cannot be surged.

Special Purpose Marine Air-Ground Task Force Crisis Response (SP-MAGTF CR).—Forward positioned in Spain, SP-MAGTF CR Marines are trained and equipped to support a wide range of operations. This unit is unique amongst other crisis response forces because it possesses an organic aviation capability that allows for SP-MAGTF CR to self-deploy. This force is primarily designed to support U.S. and partner security interests throughout the CENTCOM and AFRICOM theaters of operation, to include Embassy reinforcement, noncombatant evacuation operations, and tactical recovery of aircraft and personnel. The MV-22's unprecedented agility and operational reach enable the SP-MAGTF CR to influence these theaters of operation in a matter of hours. In 2013, SP-MAGTF CR collaborated with local authorities to establish a presence that could rapidly respond to the full spectrum of contingencies within AFRICOM's AOR. SP-MAGTF CR is also involved in bilateral and multilateral training exercises with regional partners in Europe and Africa.

Late last year, we witnessed the security situation deteriorate within South Sudan. Weeks of internal violence threatened to erupt into a civil war as populations were being driven from their homes. On short notice, 150 Marines from the SP-MAGTF CR flew aboard MV-22 Ospreys over 3,400 miles non-stop to stage for future operations at Camp Lemonier, Djibouti on the Horn of Africa. The next day, Marines flew to Uganda to prepare for a potential noncombatant evacuation operation and to bolster our East Africa Response Force. In January, Marines aboard two KC-130J Hercules aircraft evacuated U.S. Embassy personnel from harm's way.

Afghanistan

Marines have been continuously at war in Afghanistan since 2001. In the past year, we have transitioned from counter-insurgency operations to training, advising, and assisting the Afghan National Security Forces (ANSF). With expanding capabilities and increased confidence, the ANSF is firmly in the lead for security in support of the Government of the Islamic Republic of Afghanistan throughout all of Helmand and Nimroz Provinces.

Today, more than 4,000 active and reserve Marines are forward deployed in Regional Command South West (RC (SW)) and in full support of the Afghan National Police (ANP), and Afghan National Army (ANA). In 2013, we reduced our coalition force advisory teams from 43 to 15, and we shifted our emphasis from tactical operations to Brigade-level planning, supply chain management, infrastructure management, and healthcare development. In January 2013, there were over 60 ISAF (principally U.S., UK, and Georgian) bases in RC (SW). Today only seven remain. In addition, we removed permanent coalition presence in 7 of 12 districts with Marine forces located only in one remaining district center.

Afghan district community councils currently operate in seven Helmand districts which represent 80 percent of the population. As a result, health and education services have markedly improved. With the presidential election approaching in April 2014, we are expecting a higher turnout than the previous presidential elections due to the population's increased understanding of the electoral process. Currently, there are 214 planned polling stations in Helmand Province. The upcoming election will be conducted with limited International Security Assistance Force (ISAF) military assistance.

Asia-Pacific Rebalance

As our Nation continues to shift its strategic focus to the Asia-Pacific, it is important to note that the Marine Corps—specifically, III Marine Expeditionary Force (III MEF)—has been forward based there since the 1940s. Marines have a long history in the Pacific, replete with many hard-won victories. We are ideally suited to operate within this maritime region and we are adjusting our force lay-down to support the President's Strategic Guidance for the Department of Defense issued in January 2012. We remain on course to have 22,500 Marines west of the International Date Line—forward based and operating within the Asia-Pacific theater.

We have the experience, capabilities, and most importantly, the strategic relationships already in place within the region to facilitate the national security strategy. Marines forward deployed and based in the Asia-Pacific Theater conduct more than 70 exercises a year, all designed to increase interoperability with our regional partners, build theater security cooperation, and enhance prosperity and stability in this region. By strategically locating our forces across the region, we enable more active participation in cooperative security and prosperity. No forces are more suited to the Pacific than naval amphibious forces. We envision an Asia-Pacific region where our Marines' presence will continue to build upon the excellent cooperation with our regional partners and allies to advance our common interests and common values.

Security Cooperation

The Marine Corps supports all six Geographic Combatant Commands (GCC) with task-organized forces of Marines who conduct hundreds of Theater Security Cooperation (TSC) activities with the armed forces of more than 50 partner nations each year. Per the Defense Strategic Guidance, our forward-engaged Marines conducted TSC with a focus on building partner capacity, amphibious capability, interoperability for coalition operations, and assured access for U.S. forces. Overall, the Marine Corps participated in over 200 security cooperation engagements in 2013, including TSC exercises, bilateral exercises, and military-to-military engagements.

In September 2013, the Commandant of the Marine Corps, Chief of Naval Operations, and Commandant of the Coast Guard signed the Maritime Security Cooperation Policy (MSCP). This tri-service policy prescribes a planning framework for Marine Corps, Navy, and Coast Guard headquarters, regional components, and force providers with the goal of achieving an integrated maritime approach to security cooperation in support of national security objectives.

Black Sea Rotational Force (BSRF).—Forward postured in Romania, the BSRF engages partner nations and operates in multiple countries throughout the Black Sea-Eurasia region. Engagements included peacekeeping operations training events, technical skills familiarization events, and various professional symposia throughout the Caucasus region.

SP-MAGTF Africa 13 (SP-MAGTF AF).—As a sub-component of SP-MAGTF CR, SP-MAGTF Africa 13 is forward based in Italy, consisting of a company-sized Marine element that engages with partnered countries in Africa. SP-MAGTF AF 13 focused on training African troops primarily in Burundi and Uganda, bolstered militaries attempting to counter groups affiliated with al-Qaeda operating across the Maghreb region, and provided security force assistance in support of directed Africa Union Mission in Somalia (AMISOM).

Marine Rotational Force—Darwin (MRF-D).—In 2013, a company sized element of MRF-D Marines deployed to support PACOM requirements and emphasize the

U.S. commitment to the Asia-Pacific region. During their stay in Darwin, Marines conducted bilateral training with the Australian Defense Forces. In conjunction with the 31st Marine Expeditionary Unit—from August through September 2013—MRF-D supported the bilateral Exercise KOOLENDONG at the Bradshaw Field Training Area in Australia to serve as a proof of concept in preparation for the expected arrival of 1,150 Marines in 2014. This next deployment—the first step of Phase II, expands the rotational force from company to battalion sized rotational units. The intent in the coming years is to establish a rotational presence of a Marine Air-Ground Task Force of up to 2,500 Marines. The presence of Marines in Australia reflects the enduring alliance and common security interests in the region and improves interoperability between the United States and Australia

FISCAL YEAR 2015 BUDGET PRIORITIES

For fiscal year 2015, the President's budget provides \$22.8 billion in our baseline budget, down from our fiscal year 2014 budget of \$24.2 billion. This budget has been prioritized to support a highly ready and capable Marine Corps focused on crisis response. The capabilities we prioritized in this year's budget submission protect near-term readiness while addressing some shortfalls in facility sustainment, military construction, equipment recapitalization and modernization. The Marine Corps budget priorities for 2015 include:

Amphibious Combat Vehicle.—The development and procurement of the Amphibious Combat Vehicle (ACV) is my top acquisition priority. The modern battlefield requires both highly mobile and armor-protected infantry forces. The ACV will be designed to provide the capabilities required to meet current and future amphibious operations. This program is critical to our ability to conduct surface littoral maneuver and project Marine units from sea to land in any environment; permissive, uncertain, or hostile. The Marine Corps requires a modern, self-deployable, survivable, and affordable amphibious vehicle as a once-in-a-generation replacement for the existing Amphibious Assault Vehicles, which have been in service for more than 40 years.

Marine Aviation.—The Marine Corps continues to progress towards a successful transition from 13 types of aircraft to 6. This transformation of our aviation combat element will provide the Marine Corps and the future naval force with highly advanced fixed-wing, tilt-rotor, and rotary-wing platforms capable of operating across the full spectrum of combat operations. As the Marine Corps moves towards a future battlefield that is digitally advanced and connected, the F-35B/C Joint Strike Fighter's (JSF) fifth-generation capabilities will enable the collection, fusion, and dissemination of information to all elements of the MAGTF. Additionally, MV-22 Osprey vertical flight capabilities coupled with the speed, range, and endurance of fixed-wing transports, are enabling effective execution of current missions that were previously unachievable on legacy platforms.

Modernization and sustainment initiatives are required to enhance the capabilities of Marine Aviation's legacy platforms to maintain warfighting relevance. Specifically, modernization and relevancy of F/A-18A-D Hornet and AV-8B Harrier aircraft are vital as the Marine Corps completes the transition to the F-35B Short Take-Off and Vertical Landing (STOVL) JSF in 2030. The F-35B is critical to our ability to conduct future combined arms operations in expeditionary environments.

Resetting our Ground Equipment.—We have made significant strides in resetting our equipment after 12 years of wartime wear and tear. We are executing a reset strategy that emphasizes both our commitment to the American taxpayer and the critical linkage of balancing reset and readiness levels. Over 75 percent of the Marine Corps equipment and supplies in RC (SW) have been retrograded. The Marine Corps requires continued funding to complete the reset of equipment still being utilized overseas, to reconstitute home station equipment, and to modernize the force.

The current rate of equipment returning from theater will allow the Corps to reset our ground equipment by 2017, but this will require the continued availability of Overseas Contingency Operations funding for fiscal year 2015 through fiscal year 2017 to support our planned schedule of depot level maintenance. We are not asking for everything we want; only what we need. We have consciously chosen to delay elements of modernization to preserve current readiness. These short-term solutions cannot be sustained indefinitely without cost to our future capabilities.

Joint Light Tactical Vehicle (JLTV).—We remain firmly partnered with the U.S. Army in fielding a Joint Light Tactical Vehicle that lives up to its name, while also being affordable. The JLTV is needed to provide the Marine Corps with modern, expeditionary, light-combat and tactical mobility while increasing the protection of our light vehicle fleet. By replacing only a portion of our High Mobility Multipurpose-

Wheeled Vehicle (HMMWV) fleet, the JLTV will help to preserve our expeditionary capability with a modern level of protected mobility.

Military Construction (MILCON).—For fiscal year 2015, the Marine Corps is requesting \$331 million for MILCON programs to support warfighting and critical infrastructure improvements. This fiscal year 2015 budget represents a 61-percent funding level decrease from our fiscal year 2014 request of \$842 million and a significant decrease from the Marine Corps' previous 6-year average. Our primary focus is toward the construction of Joint Strike Fighter (F-35B) and Osprey (MV-22) facilities that support unit relocations to Hawaii and Japan. We have prioritized environmental and safety corrections such as water plant improvements and emergency communication capabilities. Funding is also included for the continued consolidation of the Marine Corps Security Force Regiment and its Fleet Antiterrorism Security Teams from the Norfolk area to Yorktown, Virginia. Finally, we are providing funding to continue the renovation, repairs and modernization of junior enlisted family housing units located in Iwakuni, Japan.

Readiness and Risk in the Fiscal Year 2015 Budget

The Marine Corps remains committed to building the most ready force our Nation can afford, but this comes at a risk. As our Nation continues to face fiscal uncertainty, the Marine Corps is responsibly building a relevant and lean force for the 21st century. The emerging security threats to our Nation demand that America has a globally responsive, truly expeditionary, consistently ready, maritime crisis response force.

While today's fiscal constraints may make us a leaner force, we are committed to maintaining our readiness—the real measure of our ability to meet unforeseen threats. Our innovative spirit, strong leadership, and enduring stewardship of the Nation's resources will guide our modernization efforts. We will invest in our Marines as they are the foundation of the Marine Corps. We will continue to reset our warfighting equipment and reconstitute our force after more than a decade of combat operations. We will maintain our investments in the research and development of new equipment and technologies that ensure our Nation's crisis response force remains relevant and ready well into the 21st century.

In a fiscally constrained environment, it is critical that we maximize every taxpayer dollar entrusted to the Marine Corps. Our ability to efficiently manage our budget is directly related to our ability to properly account for every dollar. To that end, for the first time, the Marine Corps achieved an "unqualified" audit opinion from the DOD Inspector General. We became the first military service to receive a clean audit, which provides us with the ability to have a repeatable and defensible process to track, evaluate and certify each dollar we receive. We are particularly pleased that this audit will give the American people confidence in how the Marine Corps spends taxpayer money.

As fiscal realities shrink the Department of Defense's budget, the Marine Corps has forgone some important investments to maintain near-term readiness. To protect near-term readiness, we are taking risks in our infrastructure sustainment and reducing our modernization efforts. These trades cannot be sustained long term and portend future increased costs. As America's crisis response force, however, your Corps does not have a choice. We are required to maintain a posture that facilitates our ability to deploy today. As we continue to face the possibility of further budget reductions under sequestration, we will be forced into adopting some variation of a less ready, tiered status, within the next few years.

As we enter into fiscal year 2015 and beyond, we are making necessary trade-offs to protect near-term readiness, but this comes at a risk. Today, more than 60 percent of our non-deployed units are experiencing degraded readiness in their ability to execute core missions. Approximately 65 percent of non-deployed units have equipment shortfalls and 35 percent are experiencing personnel shortfalls necessitated by the effort to ensure that forward deployed units are 100 percent manned and equipped. The primary concern with out-of-balance readiness of our non-deployed operating forces is an increased risk in the timely response to unexpected crises or large-scale contingencies. The small size of the Marine Corps dictates that even non-deployed units must remain ready to respond at all times as they are often the Nation's go-to forces when unforeseen crises occur.

The risk to the Nation is too great to allow the readiness of the Marine Corps to be degraded. Through Congressional support we will continue to monitor our Five Pillars of Readiness: High Quality People, Unit Readiness, Capability and Capacity to Meet the Combatant Command Requirements, Infrastructure Sustainment, and Equipment Modernization. Our current funding levels protect current readiness; however, it does so at the expense of the infrastructure sustainment and equipment modernization efforts, which are keys to protecting future readiness. This is a ra-

tional choice given the current fiscal situation, but it is not sustainable over time. Ignoring any of these areas for long periods will hollow the force and create unacceptable risk for our national defense.

SHARED NAVAL INVESTMENTS

Naval forces control the seas and use that control to project power ashore. The fiscal and security challenges we face demand a seamless and fully integrated Navy-Marine Corps team. Achieving our shared vision of the future naval force requires strong cooperation. Now more than ever, the Navy-Marine team must integrate our capabilities to effectively protect our Nation's interests.

Amphibious Warships.—The force structure to support the deployment and employment of two Marine Expeditionary Brigades (MEBs) simultaneously is 38 amphibious warfare ships. However, considering fiscal constraints, the Navy and Marine Corps have agreed to sustain a minimum of 33 amphibious warfare ships. The 33-ship force accepts risk in the arrival of combat support and combat service support elements of a Marine Expeditionary Brigade (MEB), as well as meeting the needs of the naval force within today's fiscal limitations.

The LX(R) program is the next major amphibious ship investment necessary to replace our aging fleet of LSDs. As we move forward with this program we should take advantage of the knowledge developed in building the LPD 17 class of ship. It is imperative that this is a warship capable of delivering Marines to an objective in a non-permissive environment. Replacing the LSD with a more capable platform with increased capacity for command and control, aviation operations and maintenance, vehicle storage, and potential for independent operations gives the Geographic Combatant Commander a powerful and versatile tool, and permit independent steaming operations.

Maritime Prepositioning Force (MPF).—The second method of deployment for the Marine Expeditionary Brigade is the MPF, which combines the speed of strategic airlift with the high embarkation capacity of strategic sealift. The two remaining Maritime Prepositioning Ship Squadrons (MPSRONS), each designed to facilitate the deployment of one MEB, carry essential combat equipment and supplies to initiate and sustain MEB operations for up to 30 days. With the introduction of the seabasing enabling module, which includes Large Medium Speed Roll-On/Roll-Off (LMSR) vessels, Dry Cargo and Ammunition ships (T-AKE) and Mobile Landing Platforms (MLP), MPSRON-supported forces will have enhanced capability to operate from a seabase.

Ship-to-Shore Connectors.—Ship-to-shore connectors move personnel, equipment and supplies, maneuvering from a seabase to the shoreline. These are critical enablers for any seabased force. Modern aerial connectors, such as the MV-22 Osprey extend the operational reach of the seabased force and have revolutionized our ability to operate from the sea. The Navy is in the process of modernizing the surface connector fleet by replacing the aging Landing Craft Air Cushion (LCAC) and the 50-year-old fleet of Landing Craft Utility (LCU). Continued funding of the maintenance and extended service life programs of our existing fleet of connectors as well as investment in recapitalization of the surface connector capability through procurement of the Ship-to-Shore Connector (SSC) and Surface Connector will be critical for future security environments. We need to continue to push science and technology envelopes to develop the next generation of connectors.

OUR VISION: REDESIGNING THE MARINE CORPS

As we drawdown the Marine Corps' active component end strength from war time levels of 202,000 Marines, we have taken deliberate steps to construct a force that we can afford to operate and sustain in the emerging fiscal environment. Over the past 3 years, we have undertaken a series of steps to build our current force plan. In 2010, our Force Structure Review Group utilized the Defense Strategic Guidance and operational plans to determine that the optimum size of the active component Marine Corps should be a force of 186,800. Under the constraints of the 2011 Budget Control Act and the 2012 Defense Strategic Guidance, we estimated that a force of 182,100 active component Marines could still be afforded with reduced modernization and infrastructure support. More recently, as we entered into the Quadrennial Defense Review (QDR), we came to the difficult conclusion that, under the threat of continued sequestration or some variant, an active duty force of 175,000 Marines (175K) is what our Nation can afford, along with very steep cuts to USMC modernization accounts and infrastructure. This significantly reduced force is a "re-designed" Marine Corps capable of meeting steady state requirements. We will still be able to deter or defeat aggression in one region, however with significant strain on the force and increased risk to mission accomplishment.

The redesigned force is built to operate using the familiar Marine Air-Ground Task Force-construct, but it places greater emphasis on the “middleweight” Marine Expeditionary Brigades by establishing standing MEB Headquarters. These MEB Headquarters will be prepared to serve as a ready crisis response general officer-level command element for the joint force. The redesigned force will deploy Special Purpose Marine Air Ground Task Forces (SP-MAGTF) and Marine Expeditionary Units (MEU) to provide combatant commanders ready forces for a broad range of missions from forward presence to crisis response.

Maintaining a high state of readiness within the current and near-term fiscal climate will be challenging for Marines and their equipment. For example, the desired 186.8K force supported a 1:3 deployment-to-dwell ratio to meet emerging steady state demands. A redesigned force of 175K reduces that to a 1:2 dwell ratio for our operational units during a peacetime environment. This 1:2 ratio is the same operational tempo we have operated with during much of the past decade while engaged in combat and stability operations in Iraq and Afghanistan.

The redesigned force size implements the Strategic Choices Management Review (SCMR) directed 20 percent headquarters reduction, and it includes the elimination of one 3-star Marine Expeditionary Force Headquarters. Our ground forces will be reduced by one Regimental Headquarters and eight battalions (six infantry, two artillery), as well as a reduction of an additional 27 companies or batteries. Our aviation forces will be reduced by three Group Headquarters and 13 squadrons. Our logistics forces will be reduced by 3,294 Marines (14 percent) and one battalion while conducting an extensive reorganization to gain efficiencies from reduced combat service support resources. In ground force terms, our aggregate cuts across the force comprise a reduction in nearly a Marine Division’s worth of combat power.

The redesigned force will retain the ability to generate seven rotational MEUs, with the capacity to deploy one from the East Coast, one from the West Coast, and one from Okinawa every 6 months. New Special Purpose MAGTF (SP-MAGTF) force structure responds to greater demand for multi-role crisis response forces in several Geographic Combatant Commands under the so-called “New Normal” security environment.

In support of the rebalance to the Pacific, we prioritized our Pacific theater forces and activities in the new force structure. Despite end strength reductions, III Marine Expeditionary Force—our primary force in the Pacific—remains virtually untouched. We also restored Pacific efforts that were gapped during Operation Enduring Freedom, including multiple exercises and large parts of the Unit Deployment Program. A rotational presence in Darwin, Australia also expands engagement opportunities and deterrence effects.

In support of CYBERCOM and in recognition of the importance of cyberspace as a warfighting domain, we are growing our cyberspace operations forces organized into a total of 13 teams by the end of 2016. The teams will provide capabilities to help defend the Nation from cyber-attack, provide support to Combatant Commanders, and will bolster the defenses of DOD information networks and the Marine Corps Enterprise network.

Lastly, the Marine Corps remains fully committed to improving Embassy security by adding approximately 1,000 Marine Corps Embassy Security Guards (MCESG) as requested by Congress. The redesigned force structure consists of the Marines necessary to maintain our steady-state deployments and crisis-response capabilities in the operating forces as well as the additional Marines for MCESG. We have absorbed new mission requirements while reducing our overall force size.

Expeditionary Force 21

Expeditionary Force 21 (EF 21) is the Marine Corps’ capstone concept that establishes our vision and goals for the next 10 years and provides a plan for guiding the design and development of the future force. One third of the Marine Corps operating forces will be forward postured. These forces will be task-organized into a greater variety of formations, capable of operating from a more diverse array of ships dispersed over wider areas, in order to meet the Combatant Commanders’ security cooperation and partner engagement requirements. In the event of crises, we will be able to composite these distributed formations into larger, cohesive naval formations.

Expeditionary Force 21 will inform future decisions regarding how we will adjust our organizational structure to exploit the value of regionally focused forces. A fixed geographic orientation will facilitate Marine Commanders and their staffs with more frequent interactions with theater- and component-level organizations, establishing professional bonds and a shared sense of the area’s challenges and opportunities.

Expeditionary Force 21 provides the basis for future Navy and Marine Corps capability development to meet the challenges of the 21st Century. The vision for Expeditionary Force 21 is to provide guidance for how the Marine Corps will be postured, organized, trained, and equipped to fulfill the responsibilities and missions required around the world. Through Expeditionary Force 21 we intend to operate from the sea and provide the right sized force in the right place, at the right time.

THE REAWAKENING

As we drawdown our force and focus the Marine Corps toward the future, we see an opportunity to re-set our warfighting institution and foster a Reawakening within our Corps. For the past 12 years of war, Marines have performed heroically on the battlefield. In Iraq and Afghanistan, Marines have carried on the Corps' legacy of warfighting prowess, and every Marine should be proud of that accomplishment. But as the preponderance of our Marine forces return from Afghanistan and we are focusing our efforts on the foundations of discipline, faithfulness, self-excellence and concerned leadership that have made us our Nation's premier, professional fighting force. This is the time to reset and prepare for future battles.

Focus on Values

There is no higher honor, nor more sacred responsibility, than becoming a United States Marine. Our record of accomplishment over a decade of conflict will be in vain if we do not adhere to our core values. Our time honored tradition and culture bears witness to the legions of Marines who have gone before and who have kept our honor clean. Marine Corps leadership has long recognized that when resetting the force following sustained combat, Marines must embrace change. We are mindful of the many challenges that lie ahead; there is much work left to be done.

Our purposeful and broad-range efforts to reset the Corps have to be successful. We must retain our focused observance to the basic principles and values of our Corps. We refer to them as the soul of our Corps. As such, all Marines are rededicating themselves to persistent discipline; faithful obedience to orders and instructions; concerned and engaged leadership; and strict adherence to standards. These iron-clad imperatives have defined our Corps for 238 years. As we reset and Reawaken the Corps, our focus on the individual soul of the Corps is crucial.

The Marine Corps is fully committed to improve diversity and opportunity for the men and women who wear our uniform and we are actively seeking innovative solutions to improve our Corps. Over the last year, I have personally sought out successful women leaders in the corporate sector to help us better understand how they are achieving success in the areas of diversity, inclusion and integration of women in the workplace. This has paid immeasurable dividends, as we have gained a better appreciation for the dynamics on how to address and positively affect culture change within our ranks.

Marine Corps Force Integration

The Marine Corps continues its deliberate, measured, and responsible approach to researching, setting conditions, and integrating female Marines in ground combat arms Military Occupational Specialties (MOS) and units. We welcome the chance to broaden career opportunities for all Marines that the Secretary of Defense's overturning of the Direct Ground Combat Assignment Rule offers us. Beginning in 2012, we assigned qualified female Marine officers and Staff Non-Commissioned Officers (SNCO) to 21 previously closed combat arms battalions in the assault amphibian, tank, artillery, low-altitude air defense and combat engineer fields. Since the elimination of the assignment policy restriction last year, we began conducting infantry-specific research by providing an opportunity for female officer volunteers to attend the Infantry Officer Course (IOC) following completion of initial officer training at The Basic School.

In 2013, we continued this infantry-specific research by providing an opportunity for enlisted female Marine volunteers to attend the Infantry Training Battalion (ITB) following graduation from recruit training. As a result of these assignment and early training assessments, the Marine Corps currently offers opportunities to female Marines in 39 of 42 occupational fields representing over 90 percent of our primary individual MOSs and in more than 141,000 positions world-wide. Know that your Marine Corps will continue to maintain high levels of combat readiness, while integrating female Marines into previously closed occupational fields and units to the maximum extent possible. We will continue to conduct the research and assessment of these integration efforts to ensure all Marines are provided an equitable opportunity for success in their chosen career path.

Sexual Assault Prevention and Response

Sexual assault is criminal behavior that has no place in our Corps; we are aggressively taking steps to eradicate it. Over the past 2 years, we have tackled the sexual assault problem head on and have seen measurable improvements in three specific areas—prevention, reporting, and offender accountability.

The Marine Corps continues to implement its Sexual Assault Prevention and Response Campaign Plan. Launched in June 2012, the SAPR Campaign Plan called for large-scale institutional reforms, to include the implementation of SAPR training programs on an unprecedented scale and frequency. This includes the continued refinement of prevention training Corps-wide, while strengthening capabilities for victim care, offender accountability, and program assessment. Our reforms have yielded many positive results that affect Marines on an individual level, while steadily transforming the Corps into a leading institution in both preventing and responding to this crime. The most promising result of the Campaign Plan thus far has been the continued rise in reporting.

In fiscal year 2013, reports of sexual assault in the Marine Corps increased by 86 percent continuing a trend started in fiscal year 2012, which saw a 31 percent reporting increase. In addition, 20 percent of all fiscal year 2013 reports were made for incidents that occurred prior to the victim joining the Corps; 17 percent were made for incidents that took place over 1 year ago. With sexual assault being a historically under-reported crime, we believe that these trends speak directly to the trust and confidence that Marines have in their immediate commanders and the overall Marine Corps' program. These encouraging developments suggest that our efforts are working to increase awareness of SAPR resources and to establish a healthy environment of respect and dignity where victims feel confident in coming forward.

With this increased sexual assault reporting, I anticipated an increased demand within the military justice system. Consistent with this prediction, between fiscal year 2012 and fiscal year 2013, the number of child and adult sex offense prosecutions increased from 59 to 119. The number of those cases that were contested increased by over 160 percent. These numbers reinforce the need to continue building and manning a first-rate legal practice in the Marine Corps, comprised of quality judge advocates and legal service specialists, that anticipates and adapts to evolving legal challenges.

In 2012, I restructured the model for the delivery of legal services in the Marine Corps in order to elevate the practice of law and better handle complex cases, such as sexual assaults. This new model does two key things: (1) it centralizes supervision of the military law practice; and (2) it puts more competent and experienced attorneys in charge of the military justice system. Without question, the restructuring of our legal community dramatically improved our performance in prosecuting, defending, and judging sexual assault and other complex trials. I am committed to reinforcing the success gained by this reorganization.

We are continuing to evaluate and assess the new demands placed on our military justice system and our legal community. These include the creation and expansion of the Victims' Legal Counsel Organization (VLCO) and the extension of the requirement to provide military justice experts to the Office of Military Commissions (OMC). To meet these increasing demands and new legislative initiatives affecting our justice system, I have directed an internal review of our retention and assignment policies to ensure we can continue to operate a first class military justice system. This review will have two goals. In the short term, we must ensure we have a sufficient number of qualified judge advocates to confront the immediate requirements. In the long term, we must ensure that judge advocates serve in assignments that will maximize their military justice expertise, while maintaining their credibility and skills as unrestricted Marine Officers, to include operational law and traditional Marine Corps leadership assignments.

Recruiting and Retaining High Quality People

We make Marines, win battles, and return quality citizens back to their homes across America, citizens who, once transformed, will be Marines for life. Your Corps must be comprised of the best and brightest of America's youth. To operate and succeed in volatile and complex environments, Marines must be physically fit, morally strong, and possess the intelligence required to make good decisions and operate advanced weapon systems. It is a complex and ever-evolving profession.

The Marine Corps utilizes a variety of officer and enlisted recruiting processes that stress high mental, moral, and physical standards. Additionally, all processes are continuously evaluated and improved to ensure that recruits meet or exceed the highest standards possible. Retaining the best and most qualified Marines is accomplished through a competitive career designation process for officers, and a thorough

evaluation process for enlisted Marines, both of which are designed to measure, analyze, and compare our Marines' performance, leadership and accomplishments.

Civilian Marines

Our civilian Marines serve alongside our Marines all around the world. Our civilian Marine workforce remains the leanest of all services with a ratio of one civilian to every 10 active duty Marines (1:10). Additionally, our civilian labor represents less than 5 percent of the Marine Corps' total Operations and Maintenance (O&M) budget. More than 95 percent of our civilians are located outside the Pentagon at our bases, stations, depots and installations. Civilian Marines provide stability in our training and programs when our Marines rotate between units, demonstrating that our "best value" for the defense dollar applies to the total force.

The Marine Corps supports measures that enhance consistency, efficiency and cost effectiveness of our workforce. Since 2009, we have restrained growth by prioritizing civilian workforce requirements. Additionally, we have realigned resources to retain an affordable and efficient workforce. In reaction to Defense Departmental reductions, we stood up an Executive Steering Group to determine how to minimize stress to our workforce. As we move forward we will continue to keep faith with our All-Volunteer Force of Federal civilians.

SUMMARY

Marines are key components to the range of military missions our national security demands. We are proud of our reputation for frugality and remain one of the best values for the defense dollar. In these times of budget austerity, the Nation continues to hold high expectations of its Marine Corps, and our stewardship of taxpayer dollars. The Marine Corps will continue to meet the needs of the Combatant Commanders as a strategically mobile force optimized for forward-presence, and crisis response.

As we continue to work with Congress, the Department of the Navy, and the Department of Defense, your Marine Corps remains focused on today's fight and the Marines in harm's way. The United States Marine Corps will remain the Nation's premier crisis response force. We will remain most ready, when the Nation is least ready . . . always faithful to our Marines, Sailors and families.

Senator DURBIN. Thanks, General Amos.
Vice Admiral Braun.

STATEMENT OF VICE ADMIRAL ROBIN BRAUN, CHIEF, UNITED STATES NAVY RESERVE

Admiral BRAUN. Thank you. Chairman Durbin, Madam Chairwoman Mikulski, Vice Chairman Cochran, and distinguished members of the committee: Thank you for the opportunity to appear before you today on behalf of the 61,000 Navy Reserve sailors from communities across America who serve our Navy.

Today's Navy Reserve is a fully aligned and integrated element of the Navy Total Force. Our sailors bring skill sets that have been honed by both military and civilian training. It is this depth and breadth of experience unique to the citizen sailor that enhances operational readiness and strengthens our force.

Since 9/11, our operational support has included over 70,000 mobilizations of Navy Reserve sailors. At this moment, almost 3,500 Reserve sailors are mobilized across the globe.

These sailors provide unit-level surge capacity in support of combatant commander requirements, such as our Reserve Seabee battalions that are on the ground now in Afghanistan.

Reserve sailors also shoulder the majority of the Navy's Individual Augmentation commitment, and fill critical at-sea billets where needed, such as onboard the USS *Ponce*, an Afloat Forward Staging Base.

At home, Reserve sailors serve as instructors onboard Naval Station Great Lakes, molding the Navy's newest recruits into sailors,

and in the Naval Air Training Command, honing the technical skills of our best and brightest.

They bring experience and expertise to evolving programs, like unmanned systems and cyber-operations, and to new missions such as the Reserve Female Support Technicians, who deploy with our SEAL teams.

The Navy Reserve is the sole provider of the Navy's organic airlift. Flexibility, efficiency, and responsiveness are what make our air logistics fleet a primary enabler for the Navy's forward-presence in every corner of the globe.

Our C-40 cargo aircraft deliver where and when it matters, removing combat-essential aircraft parts to CENTCOM (Central Command), to transporting entire LCS (littoral combat ship) crews to PACOM (Pacific Command).

On any given day, approximately 25 percent of the Navy Reserve is providing operational support. Our citizen sailors are Mayo Clinic neurosurgeons that have used their expertise to allow wounded warriors to walk again. They are corporate I.T. professionals who use their cutting-edge skills to train the fleet in cyber-protection. They are police officers, engineers, airline pilots, and business leaders from across America.

The value they bring in terms of civilian and military experience, operational capability and capacity, and overall maturity, is substantial.

PREPARED STATEMENT

The President's budget leverages the unique advantages found in the Reserve component. In fact, of the Navy's total military personnel cost, our portion is just over 6 percent, yet we comprise 15 percent of the Navy's total end-strength.

On behalf of our Reserve sailors, I would like to again offer my sincere thanks for the committee's ongoing support and dedication. I look forward to your questions. Thank you.

[The statement follows:]

PREPARED STATEMENT OF VICE ADMIRAL ROBIN R. BRAUN

Chairman Durbin, Ranking Member Cochran, and distinguished members of the subcommittee: Thank you for this opportunity to present an update on the United States Navy Reserve. I have had the honor of leading over 61,000 dedicated Reserve Sailors over the past year and a half, and I look forward to sharing my thoughts with you on their strategic and operational importance as a part of the Navy's Total Force. Navy Reserve Sailors live and serve in every State and territory and are also deployed forward at sea and ashore to every theater. I am honored to appear here today to represent them and on their behalf would like to extend my heartfelt thanks for the support you continue to provide.

Next spring, we will recognize a significant milestone as we celebrate the 100th anniversary of the Navy Reserve. Our beginnings actually predate 1915, as citizen Sailors augmented the Continental Navy during the first days of our Republic. Our role expanded during WWII, a conflict in which five future U.S. presidents served in the Navy Reserve. Today's Navy is structured and operating as a fully aligned and integrated Total Force where the Reserve Component (RC) provides critical capability and surge support at tremendous value. The Reserve Component accounts for approximately 15 percent of the Navy's military end strength at just over 6 percent of the Navy's total military personnel cost.

Every year in the planning, programming and budgeting process, Navy leadership analyzes force structure and capabilities. Where periodic and predictable missions align with operational prudence, the Navy tasks the Reserve Component, in whole or in part, with execution of these missions. Reserve Sailors are used in aug-

menting, mirroring, or complementary roles depending on the type of mission, required response timeline, and associated costs.

In January 2014, we published our annual Navy Reserve Strategic Plan, embodying concepts that are in alignment with the Chief of Naval Operations' Sailing Directions. This plan also outlines the Navy Reserve's mission, vision, and strategic focus areas:

Mission.—The mission of the Navy Reserve is to deliver strategic depth and operational capability to the Navy, Marine Corps, and Joint Forces.

Vision.—The Navy Reserve provides essential naval warfighting capabilities and expertise, strategically aligned with mission requirements—valued for our readiness, innovation, and agility.

Strategic Focus Areas.—Deliver a Ready and Accessible Force; Provide Valued Capabilities; and Enable the Service of Our Sailors and Civilians.

The Navy Reserve Strategic Focus areas are purposefully derived from the CNO's Tenets: Warfighting First, Operate Forward, and Be Ready. As an integral part of the Navy, we continue to be fully committed to these guiding principles and focus our resources to align with the CNO's strategic vision. The Navy Reserve routinely and deliberately focuses on Total Force alignment and integration with the Active Component (AC). The result is a Navy manned by Active and Reserve Shipmates serving steadfastly alongside each other—Sailors who have distinct skills and strengths, but whose commitment and patriotism are indistinguishable.

WARFIGHTING FIRST: DELIVER A READY AND ACCESSIBLE FORCE

Reserve Sailors are deployed in every theater supporting the ability to deter, influence and win during this era of uncertainty. Since 11 September 2001, the Navy Reserve has completed 70,060 mobilizations in support of contingency operations around the world. These requirements were filled by 54,476 Selected Reserve Sailors, with 22 percent (12,218) supporting multiple mobilizations. In fiscal year 2013, 4,360 Sailors were mobilized in support of Global Force Management Allocation Plan (GFMAP) Combatant Commander (CCDR) requirements—a level of operational support that constitutes 78 percent of the Navy's Individual Augmentation (IA) effort. As U.S. force levels adjust in Afghanistan, the Navy Reserve will mobilize to fill most of the remaining IA requirements, allowing AC Sailors to fill critical sea duty billets. In fiscal year 2014, we estimate 2,650 Reserve Sailors will be mobilized to support 81 percent of the Total Force IA commitment.

On any given day, approximately 25 percent of Sailors serving in the Navy Reserve are providing operational support to AC commands. Our Reserve Force remains flexible, responsive, and innovative—attributes that will continue to provide a solid foundation for the Navy's focus on putting Warfighting First. The President's budget for fiscal year 2015 (PB-15) will allow the Reserve Component to continue to provide the following operational capabilities:

Expeditionary.—Mirroring AC force structure in the RC provides surge capability that increases Total Force capacity. Sailors assigned to Navy Expeditionary Combat Command (NECC) represent the single largest community of Sailors mobilized in 2013. They have served brilliantly in the U.S. Central Command (CENTCOM) area of responsibility (AOR) conducting a variety of missions. RC Seabees serve across Afghanistan providing critical combat construction support and conducting training missions building partner nation capacity. Seasoned RC Sailors in our Seabee Battalions bring the added benefits of valuable civilian skill sets, experience, and maturity. Navy Expeditionary Logistics Support Group supports the multi-modal retrograde of rolling stock, containers, and equipment from Afghanistan to ports in Kuwait, United Arab Emirates, Jordan, and Oman. Coastal Riverine Squadrons provide command and control and waterside/landward protection to U.S. Navy installations and other designated high-value assets in selected CENTCOM and U.S. Africa Command (AFRICOM) ports.

Naval Special Warfare (NSW).—SEAL Teams 17 and 18 provide Special Operations capabilities to CCDRs by deploying SEAL, Special Warfare Combatant Craft (SWCC) and combat service support personnel to support Theater Special Operations Commands. Of specific note, the role of women in the NSW community is expanding. Reserve Female Support Technicians are a vital augment to Navy SEAL Teams and are currently deployed to Afghanistan. The maturity, continuity, and expertise of our Reserve Sailors provide a unique capability for the NSW community as these Sailors operate throughout every CCDR AOR.

Rotary Wing Aviation.—The Reserve Component provides rotary wing squadrons that deliver key capabilities to the fleet and Combatant Commanders. HSC-84 and 85 currently provide standing crisis response detachments in sup-

port of Naval Special Warfare and joint special operations forces in the CENTCOM and PACOM AORs. HSL-60 is the Navy Reserve's only Light Airborne Multi-Purpose System (LAMPS) Mark-III squadron and deploys SH-60B helicopters aboard surface combatants in support of fleet requirements. Helicopter Mine Countermeasure Squadrons, HM-14 and HM-15, are AC squadrons that employ a composite AC/RC force structure. Flying the MH-53E Super Stallion, their rapidly deployable airborne mine countermeasures capability is necessary for crisis response to any location in the world where a mine threat may exist.

Maritime Patrol and Reconnaissance Aviation.—Reserve Maritime Patrol squadrons (VP-62 and VP-69) flying P-3 Orion aircraft have been mobilized and deployed to meet PACOM GFMAR requirements. Fulfilling operational commitments normally met by AC units, this forward presence is helping to enable the Maritime Patrol and Reconnaissance Force (MPRF) transition to the P-8 Poseidon. The squadrons operate in support of missions including Humanitarian Assistance/Disaster Relief (HA/DR), Anti-Submarine Warfare, and Intelligence, Surveillance, and Reconnaissance (ISR) sorties throughout the Western Pacific region.

Navy Air Logistics.—The Navy Unique Fleet Essential Airlift (NUFEA) community provides the air logistics capability that resides exclusively in the Reserve Component. This mission is conducted using C-40A, C-130T, C-9B, and C-20G cargo and passenger aircraft. NUFEA is a force multiplier providing flexible, responsive, and efficient logistics capability to support the Navy's forward presence around the globe. In fiscal year 2013 NUFEA transported 23 million pounds of cargo and 118,000 personnel resulting in an estimated cost avoidance of \$900 million compared to alternative DOD/commercial transportation options.

The C-40A Clipper cargo and passenger aircraft showcased its capabilities by executing the first Littoral Combat Ship "Crew Swap" mission, traveling over 8,000 miles in 25 hours to transport 76 USS *Freedom* (LCS-1) Core and Surface Warfare Mission Module crew members to Singapore. Additionally, Navy C-40A crews delivered a load of time-sensitive, safe-for-flight replacement components for grounded Navy and Marine Corps F/A-18 Hornets in CENTCOM within 72 hours of the grounding, minimizing the operational impact.

Reserve Information Technology (IT) Skill Diversity.—RC Sailors bring the unmatched benefit of their skills and experience from civilian careers. Over the past year, RC Sailors used their civilian IT security certifications to train and qualify Active Component personnel as Computing Technology Industry Association (CompTIA) Security professionals. Leveraging Reserve Component expertise in this manner helps enable Navy's compliance with DOD IT directives.

OPERATE FORWARD: PROVIDE VALUED CAPABILITIES

Reserve Sailors provide surge capacity and valued capabilities throughout the Navy, Marine Corps, and Joint Force. Our Sailors continue to actively seek opportunities to gain knowledge and experience while supporting operational needs. The RC delivers additional value by fulfilling periodic and predictable requirements which releases Active Component manpower to focus on other emergent operational demands.

Information Dominance.—Reserve Sailors serving in the Information Dominance Corps Reserve Command (IDCRC) bring relevant civilian expertise to the Navy. This unique RC benefit greatly enhances Navy's ability to achieve superiority in the information domain. The IDCRC brings together Sailors across multiple communities—Intelligence, Information Warfare, Cyber Warfare, Information Professionals, Space Cadre, and Oceanography—to provide operational advantages by integrating functions, capabilities, and resources. This collaborative environment produces a synergy that fosters forward-thinking innovation, helps optimize decisionmaking and maximizes operational effects. These Sailors can provide direct front line operational support from Joint Reserve Intelligence Centers (JRICs) across the Nation. Whether providing reach back capability or forward deployed support, IDCRC Sailors provide critical analysis and awareness to Joint and Navy commands and combat support agencies.

Aviation Training.—The process-oriented, programmatic approach to Naval Aviation training capitalizes on seasoned prior-service aviators. In addition to on-demand surge capacity, fleet experienced Reserve aviators bring stability, continuity, and corporate knowledge to the training environment. Embedding RC instructors in Fleet Replacement Squadrons provides a scalable, responsive, and cost-effective production capacity.

Within the Naval Air Training Command, Reserve instructor pilots and flight officers are fully integrated into Active Component training squadrons and have proven essential in the production of Naval Aviators for the Navy, Marine Corps, and Coast Guard. In fiscal year 2013, Navy Reserve aviators comprised approximately 13 percent of the Instructor Pilot population and provided 20 percent of the instructional flight hours. This translates to over 52,900 hours directly supporting multiple Carrier Qualification, Weapons, Familiarization, and Formation detachments.

Four Reserve squadrons provide over 80 percent of the Navy's dedicated Red Air support. They also provide current operations intelligence briefs to Fleet personnel, keeping our deploying forces abreast of the most recent developments in threat aircraft, equipment, and pilot tactics. Using their significant tactical aviation expertise and experience, these RC aviators fly legacy F/A-18 and F-5 aircraft simulating modern airborne threats in order to prepare fleet aviators for the rigors of air-to-air combat. Support sorties span the full spectrum of combat aviation preparation from Unit Level Training, Fleet Replacement Pilot instruction, Carrier Air Wing pre-deployment exercises, and TOP GUN Red Air instruction.

Religious Ministry Support.—Navy Reserve Chaplains and Religious Program Specialists fill both a complementary role as the sole source of religious program support to the Marine Forces Reserve and an augment role by supporting the Navy's Chaplain Corps. Religious Ministry Teams are embedded into every level of command throughout the Marine Corps and are assigned to lead prevention efforts in critical areas such as Sexual Assault, Suicide, and Domestic Violence. These teams also provide surge capacity to the Chaplain Corps for the full range of religious ministry requirements.

Strategic Sealift Officers (SSO).—Reserve Sailors in the Strategic Sealift community are prime examples of an operationalized strategic asset. These professionals leverage their civilian skills, experience, and best practices to enable strategically important wartime logistics missions while minimizing manpower costs. Strategic Sealift Officers (SSOs) are a Navy Reserve community of professional mariners with vital specialized skills and experience essential in supporting national defense sealift requirements and capabilities. These alumni of maritime academies throughout the country serve in the maritime industry while meeting their military obligation in the Navy Reserve after graduation. The knowledge and experience these Reserve Sailors bring to the table does not exist elsewhere in the Navy—they are unique force multipliers and innovation enablers.

Crisis Response and Defense Support to Civil Authorities (DSCA).—Reserve augmentation units throughout the fleet provide staffs with pre-planned and on-demand surge capacity in times of high workload, such as major exercises and crisis response. The Reserve Component often brings area expertise, continuity, and operational planning skills. When international concern mounted over the potential use of chemical weapons by the Syrian government, Reserve Component Officers surged forward to support U.S. European Command (EUCOM) planning efforts within 72 hours of notification. Reserve Sailors supported Expeditionary Strike Group SEVEN when they were called upon to conduct Operation DAMAYAN, providing HA/DR following the devastating typhoon in the Philippines. This planning and staff augmentation capability is also regularly employed in response to domestic tasking. Reserve Officers serve as Navy Emergency Preparedness Liaison Officers (NEPLO) to provide support, information, and situational awareness to State and Regional Commanders during emergency events. Supporting Navy's role in conducting HA/DR and Defense Support to Civil Authorities, Reserve NEPLOs surge in response to national tasking and provide a low-cost alternative to full-time manning.

Waterfront Ship Maintenance.—Reserve Sailors provide routine support maintaining damage control and electrical internal communications systems and performing corrosion control. By augmenting AC crews during planned preventative maintenance efforts, RC Sailors increase command maintenance capacity. This is especially beneficial in a constrained fiscal environment where these efforts enable AC crew members to spend more time conducting operational training and maintaining appropriate levels of readiness.

Sustaining Forward Presence.—PB-15 will allow the RC to continue providing forward presence in support of sustaining new and innovative platforms like the Afloat Forward Staging Base (AFSB). USS *Ponce*, the first AFSB in CENTCOM, is employing a balanced manpower solution where the Reserve Component is filling a large portion of the required billets. RC Sailors are serving in many aspects of the ship's mission, from running air operations to providing intelligence analysis.

Navy Reserve Medicine.—Reserve Component medical professionals are a critical component of the Navy's healthcare delivery system. Leveraging cutting edge civilian expertise and skills, members of the Navy Reserve medical team bring valuable experience and exceptional abilities that increase readiness. Navy Reserve Medicine

provides long-term support to overseas contingency operations, operational support to HA/DR missions, and is structured to optimize surge response and maximize support to the Active Component.

Military Funeral Honors.—Navy Reserve Sailors are deeply embedded foundational members of communities across the country. In this role they are the Navy's ambassadors to the citizens whose lives they have sworn to protect. Operating out of our 122 Navy Operational Support Centers, Navy Reserve Sailors provide a majority of Navy funeral honors and chaplaincy support in all 50 States, Guam and Puerto Rico. In fiscal year 2013 RC Sailors played a pivotal role in paying tribute to our deceased veterans by providing Military Funeral Honors on behalf of a grateful nation at over 35,000 funerals.

BE READY: ENABLE THE SERVICE OF OUR SAILORS, CIVILIANS, AND FAMILIES

“Ready Now. Anytime. Anywhere.” Our motto is a pledge to our Sailors, our Navy and our Nation that we will provide trained and ready Sailors when and where needed. Though the majority of our Sailors serve in uniform on a part-time basis, they live the Navy core values of Honor, Courage, and Commitment every day. We are committed to providing these Sailors the Quality of Service tools, including resources and training, that enable them to succeed. Also critical to that success is the support of their families and employers. Our Sailors are able to succeed in their assigned missions because of the strong support and resources they receive. The current fiscal environment necessitates that we continue to assess and focus our efforts on how we train and how we best support the Total Force.

Enabling Operational Training.—PB-15 provides discretionary RPN (Reserve Personnel, Navy) funding, in the form of Active Duty for Training (ADT) funds, that is the primary catalyst of a trained and ready Navy Reserve force. The Navy Reserve primarily employs ADT funds to improve the knowledge, skills, and abilities of our Sailors. This training can have the added benefit of providing operational support to the Active Component, thereby enhancing the Total Force concept. ADT funds can be quickly re-allocated so Reserve Sailors can meet emergent needs and fill critical fleet gaps. Maintaining funding levels for Discretionary RPN has a direct correlation to maintaining operational support to the Total Force.

Reserve Facilities Programs.—The Navy Reserve is a tenant at over 45 installations, maximizing taxpayer value by sharing facilities wherever possible. Our Military Construction (MILCON) and Facilities Sustainment, Restoration, and Modernization (FSRM) programs consist of important projects throughout the Navy Reserve Force. Investments include direct support to operational missions such as a new C-40A aircraft hangar, two new Joint Reserve Intelligence Centers, base security upgrades, and airfield pavement repairs. It also includes other facility investments including replacing two antiquated and inefficient facilities with new Navy Operational Support Centers (NOSCs) and comprehensive repairs to several older NOSCs. These programs are vital to readiness and morale and provide significant improvements in force protection compliance, facility condition and configuration, and energy efficiency.

Information Technology (IT) Initiatives.—The Navy Reserve continues to be a leader in IT innovation, having recently fielded initiatives that improved connectivity, communication, and collaboration capabilities like the deployment of commercial Wi-Fi capability to our Navy Operational Support Centers and other Navy Reserve facilities. Continuing our efforts to better support our Sailors, we have implemented a second phase to increase bandwidth and create additional access points at high demand locations. This year we are piloting a commercial cloud capability which has the potential to significantly improve secure access to Navy computing resources from personal devices. These transformative IT delivery avenues will provide increased efficiency, effectiveness, and security, thereby improving Quality of Service for our Sailors.

Continuum of Service.—The Navy's missions are accomplished through the combined efforts of Active and Reserve Sailors, and the Continuum of Service provides opportunities to adjust a Navy career to suit changing life circumstances and personal goals. Sailors can transition between full-time active duty (365 days per year) and part-time reserve duty (minimum one weekend per month and 2 weeks per year) through a range of programs. Continuum of Service tools are designed to smooth the transition between the Active and Reserve Components and within units of the Navy Reserve. The Career Navigator Program and support programs such as Transition, Goals, Plans, Success (Transition-GPS) enable the Continuum of Service, ultimately allowing the Navy to retain our most valuable assets—experienced Sailors.

Career Navigator Program.—The Career Navigator Program debuted in 2013, giving our enlisted Sailors the tools to plan and execute career decisions faster and more efficiently than ever before. Career Navigator supports key Sailor career decisions by employing a group of IT systems including Career Waypoints (formerly Fleet RIDE), Career Management System-Interactive Detailing (CMS-ID), Career Information Management System (CIMS), and Navy Standard Integrated Personnel System (NSIPS). Career Waypoints provides Sailors a single point of access to: communicate intentions to reenlist; view opportunities for rating conversion or reclassification; view opportunities and apply for transition between the Active Component and Reserve Component; and receive approval to apply for billet assignment. Eventually, Career Waypoints will encompass a Sailor Portal, providing an online window for Sailors to be able to review their career information, take career interest inventory, explore their career options, view their enlistment applications, and access career development tools. In addition to making it easier for Sailors to manage their careers, our ability to balance the force is expedited as we are now able to electronically process applications for Reserve Component Sailors to fill critically undermanned Active Component billets and for shifting manning to cover high priority Reserve jobs.

Transition, Goals, Plans, Success (Transition-GPS).—We also fulfill our commitment to Sailors returning from mobilization by equipping them with a roadmap to a smooth transition back to civilian life through the Transition-GPS program. Transition-GPS is a critical part of the plan to reduce veteran unemployment through the Vow to Hire Heroes Act and is a DOD Total Force program that includes: Pre-separation counseling; a military-to-civilian skills review; a Department of Veterans Affairs benefits briefing; financial planning support; a Department of Labor workshop on job search skills and résumé preparation; and a tailored individual transition plan. Full program implementation began in 2013 with the Navy Reserve coordinating with the staffs of Navy Mobilization Processing Sites (NMPS) and Fleet and Family Support Centers to optimize scheduling and participation in the 5-day classroom curriculum. We are committed to continually improving our execution of the program as we integrate this concept into the Reserve military life cycle.

Employer Support of the Guard and Reserve (ESGR).—Employers are a key pillar of support for our Reserve Sailors. By partnering with ESGR we are able to develop synergy in connecting with, educating, and thanking employers in order to strengthen support for Reserve service. Every year we recognize employers who provide extraordinary support to their Navy Reserve employees. The Navy Reserve Employer Recognition Event showcases the Navy's capabilities and highlights the essential nature of the contributions provided by their employees during periods of military service. Employers have the opportunity to interact with Reserve Sailors and view equipment to learn about the capabilities in the expeditionary, special operations, surface, and aviation communities. The day's activities also give us the opportunity to recognize them for their commitment to the service of their citizen-Sailor employees.

Yellow Ribbon.—The Yellow Ribbon Reintegration Program (YRRP) provides our Sailors and their families with deployment and reintegration information to assist them in meeting the challenges associated with mobilization. In collaboration with our partners which include ESGR, the Department of Veterans Affairs, and community-based networks of care, the YRRP provides information, referrals and outreach to military members, their families, employers and immediate support network. Our flagship program under the YRRP is the Navy Reserve's Returning Warrior Workshop (RWW). The RWW is a post-deployment event that facilitates the reintegration process for Reserve Sailors and their spouse or designated individual of their choice. The RWW honors the sacrifices of servicemembers and their families and can identify psychological health issues to connect Sailors with needed follow-on care. This Navy program has been described as a "best practice" within the DOD YRRP and has served over 14,000 attendees since 2008. Always looking for innovative ways to make it easier for Sailors and families to serve, the Navy Reserve recently produced the "Deployment and Transition Guide," a tool that provides significant breadth and depth of information to prepare Sailors and their families for all phases of a military deployment. If history is a reliable indicator of the future, the need for reintegration programs will outlast the conflicts that precipitate the requirement.

Suicide Prevention.—The Navy Reserve is committed to suicide prevention and education. We have implemented a comprehensive series of programs to foster resiliency and encourage bystander intervention, and reduce the stigma associated with seeking help. We are encouraged that suicides declined 50 percent among Reserve Sailors from 2012 to 2013 and that at-risk Sailors are more frequently seeking help. The Psychological Health Outreach Program (PHOP) ensures that Reserve Sailors and their family members understand the psychological healthcare services avail-

able. PHOP Outreach Teams educate and equip Reserve Sailors and family members as they interact during site visits. They also support Returning Warrior Workshops and maintain regular contact with recently demobilized Sailors.

Sexual Assault Prevention.—The Navy Reserve engages in a wide variety of initiatives to improve readiness and prevent subversive and destructive behavior. Our sexual assault prevention program remains one of our most important initiatives. Our message is unwavering and persistent—sexual assault has no place in the Navy’s culture of honor, courage, and commitment. We have appointed a full-time program manager to provide oversight and coordination for our Sexual Assault Prevention and Response (SAPR) initiatives. Our Sailors have led and participated in prevention and response training at all levels: SAPR-Fleet, SAPR-Leadership, General Military training, and a SAPR stand-down. This training is embedded in our leadership courses and prioritized at all levels of the chain-of-command. Commanding Officers are directed to have a Command Climate Survey within 90 days of assuming command and they are required to review the results with their reporting senior and brief unit members. There is still work to be done, but we are making progress in breaking down barriers to reporting within the Navy Reserve. Sexual assault is unacceptable within our ranks, and we remain committed to eradicating it from our Force. We are ensuring any sexual assault cases are handled by the military justice system in a timely, fair, and effective manner and we are committed to meeting the needs of victims while respecting their rights and preferences.

MANNING OUR FORCE

Our most important asset is our people. Recruitment and retention of quality Sailors continues to be a high priority for the Navy Reserve. The demands of the Fleet require an aggressive strategy to provide the proper inventory of trained and ready personnel. Despite a 31-percent reduction in end strength over the past 10 years, the Navy Reserve continues to fill critical roles in Navy’s Total Force mission across almost every designator and rating. Successful recruiting and retention strategies are vital in attracting and retaining the right skill sets and talent to support the Navy’s needs. These efforts focus on matching individual qualifications to billet requirements and are supported by a targeted and tiered bonus structure.

Recruiting.—In fiscal year 2013, Navy Recruiting achieved success in Selected Reserve enlisted recruiting programs, but did not meet RC officer goals in the Unrestricted Line (URL) and Medical Corps communities. Navy Recruiting attained 77 percent of the overall general officer recruiting and 75 percent of the RC Medical Department officer goals. Strong AC retention equates to smaller numbers of officers leaving active duty which significantly reduces the prior service pool, the RC’s primary source for URL officers. In some Restricted Line and Staff Corps communities, Direct Commission Officer (DCO) programs have been extremely successful in recruiting officers with no prior service to supplement the pool of officers leaving active duty.

Accessing Health Care Professionals remains our greatest recruiting challenge. Thanks to past Congressional action, the Navy Reserve has authority to expend resources to attract and retain these officers for critically undermanned wartime specialties. However, lack of awareness about Reserve service, impact of mobilizations on medical practices, and significant income loss during military service continue to hinder medical officer recruiting.

Retention.—We are encouraged to see high retention rates across the Navy Reserve Force. We gauge retention by quantitatively monitoring attrition, and current attrition rates are more than 2 percent below the previous 5 year average. In fiscal year 2013, officer attrition was 10.18 percent and enlisted attrition was 17.15 percent. The first quarter of fiscal year 2014 indicates similar performance can be anticipated, as we are observing very similar attrition rates. The Navy Reserve is able to manage planned Officer and Enlisted reductions through voluntary means by reducing total accessions below natural attrition and focusing special/incentive pays to shape manning in critically undermanned ratings and designators.

Special Bonus and Incentive Pay.—A Selective Reenlistment Bonus is used to improve retention of Enlisted Sailors in targeted specialties, while affiliation and enlistment bonuses are used to recruit Sailors in targeted ratings and specialties from both prior service veterans and direct accessions of non-prior service recruits. Officer accession and affiliation bonuses and Special Pays (to include Special Pay for the retention of Healthcare Professionals) are used to maintain or increase inventory by targeting undermanned pay grades in critical and undermanned skill sets. Additionally, Navy has received “critical” designation for Naval Special Warfare (SEAL) officers, authorizing a limited Critical Skills Retention Bonus in an effort to further reduce attrition. This authority is especially important today because the accession

pool for Reserve URL officers, such as those in the SEAL communities, is predominantly limited to previously designated officers leaving active duty and is directly impacted by high Active Component retention.

EQUIPPING OUR FORCE

The Reserve Force depends on modernized and well-maintained equipment to accomplish our assigned missions. To that end, I would like to personally thank the committee for the support you provide to the Navy Reserve. In fiscal year 2015, we will accept delivery of two C-40As, bringing our total inventory to 14 aircraft, and a 15th C-40A will be delivered in fiscal year 2017. The procurement of two additional aircraft is needed to fulfill the risk-adjusted requirement of 17 C-40As, which will allow the Navy to complete the divestiture of aging, inefficient, and costly C-9B and C-20G legacy aircraft. The Navy Reserve C-40A cargo and passenger aircraft program places the Fleet closer to realizing a more capable and cost-effective lift capability.

LOOKING TO THE FUTURE

Today's Navy Reserve serves as a hedge against uncertainty by providing agility, capability and capacity to the Total Force—delivering ready and capable Sailors where it matters, when it matters. The Navy relies on its Reserve Component as a dependable source of strength to mitigate risk and offset cost whether augmenting warfighting requirements overseas, supporting major contingencies at home, or providing enduring core capabilities. We will continue to evaluate integration of effort, and the balance of roles and responsibilities between Active and Reserve components as the Navy rebalances toward the Asia-Pacific.

Littoral Combat Ship (LCS).—With the addition of LCS to the Fleet, Reserve Sailors are providing waterfront seaframe maintenance, security, watchstanding, Mission Module support, and LCS Squadron logistics and administrative support to the Navy's newest ships. They are also engaged in Train-to-Qualify (T2Q) pipeline training onboard LCS seaframes. As the LCS fleet grows, Navy Reserve will add additional support capacity.

Cyber.—Cyber operations are a core component of each of the three pillars identified in the Navy's Information Dominance Strategy. Reserve Cyber operational support teams are at the forefront of their field, participating in exercises that shape the defense of critical national infrastructure and key resources. Additionally, Reserve Sailors continue to actively develop and test pre-planned responses to cyber threats, preparing fleet Sailors to properly and reliably respond to various scenarios. The Navy Reserve will continue to leverage the skills of all our Information Dominance professionals and will look for opportunities to further strengthen AC/RC integration within the Information Dominance Corps.

Unmanned Systems.—As the Navy continues to introduce unmanned systems to the fleet, the Reserve Component offers cost effective solutions for this mission. Reserve Sailors have been mobilized in support of Tigershark/Copperhead UAS conducting counter Improvised Explosive Device (IED) missions in Operation ENDURING FREEDOM. We have also been providing support to the Persistent Ground Surveillance System (PGSS) which provides Forward Operating Base ISR coverage at sites throughout Afghanistan.

The Navy has already integrated Reserve Component manpower in the Fire Scout program and is currently developing plans for the MQ-4C Triton. The periodic and predictable nature of Triton's operating construct is particularly well suited for the Navy Reserve. Utilizing RC manpower can provide flexibility, on-demand surge capacity, and potentially reduce personnel and operating costs through pragmatic and innovative solutions. We stand ready to fill roles in all areas of unmanned systems.

Aviation Force Structure.—Within the arena of manned systems, in addition to the requirement to complete the recapitalization of the Air Logistics fleet, other areas of specific focus are Airborne Electronic Attack and Maritime Patrol and Reconnaissance. Reserve Component aviators developed and led training in support of the MPRF Active Component's P-8 transition utilizing their extensive commercial Boeing 737 experience. We will continue to seek further opportunities to utilize these highly skilled aviators in a more operational role.

VAQ-209, formerly an EA-6B Prowler Squadron, completed a homeport shift to NAS Whidbey Island in order to align more closely to the Navy's base for AEA force structure. They are currently completing their transition to the EA-18G Growler and will deploy in support of CDR requirements on the fiscal year 2015 GFMAR.

High Value Unit Escort.—The High Value Unit (HVV) escort mission involves providing protection for vessels as they transit in and out of port. The Navy is assuming this mission from the U.S. Coast Guard, leveraging the capabilities of RC

Sailors assigned to NECC's Coastal Riverine Force. This Reserve Component solution is enabling the Navy's previously scheduled AC units to maintain their established operational deployment schedule. Beginning in fiscal year 2015, the Navy Reserve is expected to expand our HVU escort mission to additional stateside ports.

Joint High Speed Vessel.—Reserve Sailors are serving as the Military Detachment Headquarters providing command and control (C2) capability in support of USNS *Spearhead's* 3-month maiden deployment. As the C2 element for 80+ Active Component Sailors and Marines, these Reserve Sailors will work in concert with *Spearhead's* crew of civilian mariners conducting a variety of missions within the EUCOM and AFRICOM AORs. This ad hoc solution showcases the versatility and adaptability of the RC in supporting evolving missions.

CONCLUSION

For almost a century the Navy Reserve has answered the Nation's call. Today's Navy Reserve Sailors continue to serve as a force multiplier and have been relied upon to support a wide spectrum of mission areas across the globe. The Navy Reserve remains postured to be the go-to force for integrating and augmenting the Navy, Marine Corps, and Joint Forces. The President's fiscal year 2015 budget request provides resources to support a Navy Reserve force structure of 57,300 Sailors. We will continue to seek opportunities to further align Active and Reserve force structure, manpower, and missions, leverage the unique advantages found in the Reserve Component, and enhance Quality of Service for every Sailor. In so doing we will deliver surge capacity and operational capability to the Navy, Marine Corps and Joint Forces, posturing the United States Navy for success today and in the future security environment. On behalf of your Navy Reserve Sailors, I would like to again offer sincere thanks for your continued support.

Senator DURBIN. Thank you very much.
Lieutenant General Mills.

STATEMENT OF LIEUTENANT GENERAL RICHARD MILLS, CHIEF, UNITED STATES MARINE CORPS RESERVE

General MILLS. Chairman Durbin, Vice Chairman Cochran, Vice Chairwoman Mikulski, distinguished members of the subcommittee: It is my honor to appear before you today to speak about your Marine Corps Reserve.

Mr. Chairman, we welcome your leadership, and I am very grateful for your support, and the subcommittee's continued support of the Marine Corps Reserve and its associated programs, programs that help us sustain ourselves as a ready, relevant, and responsive component of the Marine Corps Total Force.

With me today is force Sergeant Major Anthony A. Spadaro. Sergeant Major Spadaro's engaged leadership with our Reserve enlisted Marine members—for the members who collectively are the strength of the Marine Corps Reserve, his leadership is truly inspiring.

Since taking command last August, I have been deeply impressed by the professionalism, the competence, and the dedication of our magnificent reservists. Like their Active-Duty brothers and sisters, they sacrifice so much of their time, and so much of themselves, to protect and serve our great Nation.

The way they balance their family responsibilities, their civilian lives, their schools, their jobs, and their careers, and still stay 100 percent Marine, truly inspires me.

Our reservists share the same culture of deployment and expeditionary mindset that has dominated the Marine Corps culture, ethos, and thinking since our service's beginning more than two centuries ago.

I am proud to say that since 9/11, almost 63,000 marines from the Ready Reserve have executed a total of more than 82,000 sets of mobilization orders.

A critical enabler for our operational tempo has been the Navy's Bureau of Medicine's continued support of behavioral health through various independently contracted programs, programs such as the post-deployment health reassessment, the mental-health assessments, and the psychological health outreach program that help our marines immeasurably.

These programs have proven effective in the overall management and identifying those marines and sailors who need behavioral health assistance, and then it provided an avenue to those servicemembers so they can seek behavioral health assistance.

We continue to enjoy strong demand for affiliation with our units, as seen by our increased accessions from the Active component, as Active component marines leave the active service.

We also enjoy high rates of retention. Our retraining, our inactive-duty travel reimbursement, our bonus program, and our incentive programs for Reserves have proven to be essential tools in achieving nearly 100 percent of our authorized end-strength in fiscal year 2013.

The continued uses of these programs are critical enablers for us, as we seek to optimally align our inventory to our requirements.

In regard to ground-equipment readiness, the Reserve component continues to carry a historical maintenance requirement that uses a combination of field-maintenance capabilities and contracted logistical-support maintenance teams. This is an enduring requirement to support field-maintenance operations, and the combination of those two programs I spoke about help us sustain over 97 percent ground-equipment readiness of our force.

PREPARED STATEMENT

The Marine Corps is our Nation's crisis-response force, and will continue to be most ready when our Nation is least ready. As part of the Marine Corps Total Force, Marine Corps Forces Reserve is appropriately organized, manned, equipped, and trained to provide forces to augment, reinforce, sustain, and act as a shock absorber to the Active components' requirements.

Again, thank you for your demonstrated support for our reservists, for their families, and for their employers. Chairman Durbin and fellow members, I look forward to your questions.

[The statement follows:]

PREPARED STATEMENT OF LIEUTENANT GENERAL RICHARD P. MILLS

Chairman Durbin, Ranking Member Cochran, and distinguished members of the subcommittee: It is my honor to report to you on the state of the Nation's Marine Corps Reserve and our Reservists, who enthusiastically and professionally contribute to the balanced air-ground-logistics team that underscores our Nation's crisis response force—the U.S. Marine Corps. Although the present times are difficult due to fiscal impacts on the Marine Corps, I am extremely grateful for your continued support of our Corps. Your continued support helps sustain us as a ready, relevant, and responsive Reserve Force that is an essential shock absorber for the Marine Corps Total Force.

INTRODUCTION

I share the sentiment Commandant of the Marine Corps General James F. Amos stated in testimony before Congress last year—the Marine Corps provides an insurance policy to the American people. As an integral part of the Total Force, Marine Forces Reserve plays a key role in providing that insurance policy. We have been fully engaged on the global stage for more than 12 years now, serving as the essential shock absorber for the Active Component, and 2013 was no different. Reservists from each of our major subordinate commands—4th Marine Division, 4th Marine Aircraft Wing, 4th Marine Logistics Group, and Force Headquarters Group—made a tremendous impact across a diverse spectrum of operations in support of every geographic combatant commander's operational and theater security cooperation requirements, as well as Service commitments.

The Marine Corps' commitment to the American people is as strong today as ever in its 238-year history. That commitment is backed equally by bold Active and Reserve Component Marines and Sailors who are experienced in taking the fight directly to the enemy across the globe since 2001. Our Marines have been doing what they have done best since 1775: Standing shoulder-to-shoulder to fight and win the Nation's battles. We don't differentiate; all Marines—whether Reserve or Active Component—are disciplined, focused, and lethal. We are a Total Force, and as such, the Marine Corps Reserve continues to be integrated in all areas of the Marine Corps.

I am deeply impressed by the professionalism, competence, and dedication of our magnificent Reservists. Like their Active-Duty brothers and sisters, they sacrifice so much of their time—and so much of themselves—to protect and serve our great Nation. The way they balance their family responsibilities, civilian lives, school, jobs, and careers—and still stay Marine—inspires me. They do it with humility, without fanfare, and with a sense of pride and dedication that is consistent with the great sacrifices of Marines of every generation.

I believe Active-Component Marines and senior leadership at all levels appreciate a highly experienced and competent Reserve Force. As an integral element of the Total Force Marine Corps, our Marines and Sailors share the culture of deployment and expeditionary mindset that has dominated Marine Corps culture, ethos and thinking since our Service's beginning more than two centuries ago. Accordingly, the U.S. Marine Corps Reserve is organized, manned, equipped, and trained to provide a professionally ready, responsive, and relevant Force as a Marine Corps solution to enable joint and combined operations. We are, and will remain, a key component in the Corps' role as the Nation's Expeditionary Force in Readiness.

A TOTAL FORCE

During the previous 13 years, the Marine Corps Reserve has been engaged in combat operations in Iraq and Afghanistan, as well as in regional security cooperation and crisis prevention activities in support of the various geographic combatant commanders. This operational tempo has built a momentum among our war fighters and a depth of experience throughout the ranks that is unprecedented in generations of Marine Corps Reservists.

As of January 1, 2014, 62,688 Marines from the Ready Reserve executed a total of 82,424 sets of mobilization orders. This operational tempo has enabled Marine Forces Reserve to remain an operationally relevant Force over the last 13 years. Marine Forces Reserve has sourced preplanned, rotational, and routine combatant commander and Service requirements across a variety of military operations. We routinely supported operations in Afghanistan while simultaneously sourcing other combatant commander requirements worldwide, such as Special Purpose Marine Air-Ground Task Force in support of U.S. Africa Command; Georgia Deployment Program in support of U.S. European Command; Unit Deployment Program in support of U.S. Pacific Command; Security Cooperation/Security Force Assistance Teams in support of U.S. Northern Command and U.S. Central Command; and Counter-Drug/Counter-Narcotics teams in support of U.S. Southern Command. Additionally, Marine Forces Reserve has continued to support geographic combatant commander exercise and theater security cooperation global requirements, which increases our operational readiness while enabling Total Force integration and the rapid transition to operational roles and support to major contingency operations.

During calendar year 2013, Marine Forces Reserve operations continued on a high operational tempo as our four major subordinate commands were called upon to provide 1,414 Marines and Sailors to support combatant commander operational requirements, and we plan to deploy 443 Marines and Sailors during calendar year 2014. In addition, Marine Forces Reserve will deploy thousands of Marines to a multitude of theater-specific exercises and cooperative security events that are designed

to increase interoperability with our allies, as well as for developing theater security cooperation activities in Morocco, Cameroon, Niger, South Africa, Uganda, Burundi, Senegal, Mauritania, Turkey, Romania, Slovenia, Georgia, Mexico, Bahamas, Honduras, Guatemala, Belize, Dominican Republic, Jordan, and with our partners in the Pacific Rim, the Republic of Korea and the Kingdom of Thailand.

Marine Forces Reserve's operational focus will continue to directly support the geographic combatant commanders in various roles that include multiple multilateral and bilateral exercises, such as African Lion in Morocco, Ssang Yong in South Korea, and Maple Flag in Canada. The way ahead for Marine Forces Reserve includes deploying forces to meet high priority combatant commander requirements while providing continued support to Operation Enduring Freedom (OEF). Principal among these combatant commander requirements is the continued deployment of highly qualified Marines to Europe in order to train Georgian forces prior to their deployment to Afghanistan, the continued deployment of Marines to Mexico to train Mexican Marines, and the deployment of a Communications Detachment to support the Commander, Combined Joint Task Force Horn of Africa.

In addition to operational requirements, Marine Forces Reserve personnel and units conducted significant regional and more than 389 local community relations events nationwide during calendar year 2013. Due to the command's unique geographic dispersion, Marine Forces Reserve personnel and units are advantageously positioned to interact with the American public, telling the Marine Corps story to our fellow citizens who typically have little or no contact with the Marine Corps. Therefore, for the preponderance of the American public, their perception of the Marine Corps is informed by dialogue with our Reservists during the many community outreach events that occur throughout the year across the country.

Marine Forces Reserve continues to monitor the mobilization viability of the Individual Ready Reserve, which consists of more than 67,000 contractually obligated Marines who have fulfilled their Active service commitment, but have returned to civilian life. The mobilization potential of the Individual Ready Reserve is monitored through the use of muster events, which are conducted at multiple locations across the country and includes no less than one-sixth of the Individual Ready Reserve population. The Muster event is the Marine Corps' opportunity to physically inspect contractually obligated Marines to ensure they are capable of mobilization. During this event, a Marine is given the opportunity to address any administrative issues and get assistance. If needed, they complete a mental health and post-deployment screening, review the Reserve obligations and opportunities information, meet with military-friendly employers, meet prior service recruiters, and get an opportunity to reconnect with fellow Marines. During fiscal year 2013, Marine Forces Reserve mustered 9,684 Marines during 44 muster events.

In addition to participating in operational requirements across the globe and in community relations events here at home, our Active-Duty Marines who are assigned to our Inspector—Instructor and Reserve Site Support staffs dutifully execute the significant responsibility of casualty assistance. Continued operational efforts in OEF have required that these Marines and Sailors remain ready at all times to support the families of our fallen Marines in combat abroad, or in unforeseen circumstances at home. By virtue of our geographic dispersion, Marine Forces Reserve personnel are well-positioned to accomplish the vast majority of all Marine Corps casualty assistance calls and are trained to provide assistance to the families. Historically, our personnel have been involved in the majority of all Marine Corps casualty notifications and follow-on assistance calls to the next of kin. During calendar year 2013, our Inspector—Instructor and Reserve Site Support staffs performed 85 percent—169 of 198—of the total casualty calls performed by the Marine Corps. There is no duty to our families that we treat with more importance, and the responsibilities of our Casualty Assistance Calls Officers (CACOs) continue well beyond notification. We ensure that our CACOs are well trained, equipped, and supported by all levels of command through the combination of in-class and online training. Once a CACO is designated, that Marine assists the family members from planning the return of remains and the final rest of their Marine to assist with filing for benefits and entitlements. In many cases, our CACOs provide a long-lasting bridge between the Marine Corps and the family while providing assistance during the grieving process. The CACO is the family's central point of contact and support, and serves as a representative or liaison to the funeral home, government agencies, or any other agency that may become involved.

Additionally, Marine Forces Reserve units and personnel provide significant support for military funeral honors for our veterans. The Inspector—Instructor and Reserve Site Support staffs, with augmentation from their Reserve Marines, performed 91 percent—17,075 of 18,756—of the total funeral honors rendered by the Marine Corps during calendar year 2013. We anticipate providing funeral honors to more

than 18,000 Marine veterans during 2014. As with casualty assistance, we place enormous emphasis on providing timely and professionally executed military funeral honors.

PREDICTABILITY

The Marine Corps Reserve remains an integral part of the Total Force Marine Corps and continues to serve as an operationally focused Force whether it is integrated with Marine Forces in Afghanistan, serving as a Special Purpose Marine Air-Ground Task Force, or filling training and advising roles with security force assistance teams in direct support of combatant commanders' requirements. Consequently, the Reserve Force continues to maintain a high level of operational experience as it continues to serve side-by-side with our Active-Component counterparts. However, we clearly recognize the potential effect of the fiscal environment on our operational readiness, especially as we consider how to maintain the operational experience of the Reserve Force.

Revisions to our Force Generation Model rotate Marine Reserve units through a 5-year Training and Readiness Plan to ensure units and personnel are ready to meet any challenge. The Training and Readiness Plan establishes a program that enables the Reserves to have two infantry battalions, an artillery battalion, a combat logistics battalion, and aviation capabilities, as well as an assortment of other forces combat-ready at any given time. This results in more than 3,000 Marines who are trained and ready to augment and reinforce a Marine Air-Ground Task Force, whether in support of a contingency response or part of a pre-planned, budgeted for, theater security cooperation mission.

Our Training and Readiness Plan continues to provide a level of predictability for both planners and Reservists while maintaining the "train as we fight" philosophy. The Plan provides our Reservists, their families, and their employers, the ability to plan for upcoming duty requirements in their lives 5 or more years out. This empowers servicemembers to achieve the critical balance between family, civilian career, and service to our Nation while enabling employers to plan for and manage the temporary loss of valued employees. The key element in the Training and Readiness Plan is the integration of Reserve units, detachments, and individuals into Service- and Joint-level exercises, creating an environment of interoperability in years 2, 3, and 4 of the 5-year plan's cycle. The units are scheduled to be assessed in a culminating Integrated Training Exercise during the fourth year of the training cycle. The Training and Readiness Plan assures integration with the Active Component in training exercises conducted in the United States and overseas, and continues to facilitate the Total Force approach in the manner in which the Marine Corps achieved success over the last 13 years of integrated operations in the combat zones of Al Anbar province, Iraq, and Helmand province, Afghanistan.

PERSONNEL

Marine Forces Reserve comprises a large percentage of the Selected Reserve's authorized end strength of 39,600, which will decrease to 38,500 Marines by fiscal year 2017. Additionally, Marine Forces Reserve administers approximately 67,000 Marines who serve in the Individual Ready Reserve, which is projected to continue to increase due to the Active Component end strength draw down. The Selected Reserve is comprised of Marines in Reserve units and the Active Reserve program, as well as Individual Mobilization Augmentees (IMAs) and servicemembers in initial training. The planned reductions in the Selected Reserve's end strength will come primarily from the junior enlisted ranks and IMAs. The Reserve Component is currently over manned in its junior enlisted ranks and the decreased demand for mobilized Reservists augmented to Active Component units will enable the Marine Corps Reserve to reduce its IMA manning levels and encourage noncommissioned officers and staff noncommissioned officers to affiliate with Marine Corps Reserve units.

We continue to enjoy strong demand for affiliation as seen by increased accessions from the Active Component, as well as high rates of retention. Our retraining, inactive duty travel reimbursement, bonus, and incentive programs for Reserves were essential tools in achieving nearly 100 percent of our authorized end strength in fiscal year 2013. We fully expect to meet our Selected Marine Corps Reserve unit recruiting goals again this fiscal year. The continued use of these programs are critical enablers for us as we seek to optimally align our inventory to our requirements, maintain individual and unit-level readiness, address shortfalls in staff noncommissioned officer leadership, and maximize deployability for our incumbent personnel.

I am pleased to report that the Marine Corps/Navy Reserve team is as strong as ever. Marine Forces Reserve remains fully integrated with Navy manpower assets from the Active, Reserve, and Full-Time Support (FTS) communities. A total com-

pliment of 279 officer and enlisted personnel from the Active Component and FTS component provides continuous medical and religious ministries support to the Marines and Sailors throughout Marine Forces Reserve. In addition, more than 1,400 Reserve-Component Sailors augment Marine Forces Reserve in deployments, administrative functions, and major exercises with 300 of these positions being officers in the various medical professions. These invaluable Navy assets can be found at any of our 160 Reserve Training Centers throughout the United States.

Our company grade officer manning continues to dramatically improve. Company grade officer manning stands at 74 percent, up from a low of 21 percent in 2006. Historically, the Active Component Marine Corps has been the exclusive source of senior lieutenants, captains, and pilots for the Marine Corps Reserve, and it remains a source of strength in meeting these requirements.

Reserve officer commissioning initiatives focus exclusively on the most crucial challenge of staffing the Marine Corps Reserve with quality company grade officers. Two of these Reserve commissioning initiatives are the Reserve Enlisted Commissioning Program (RECP), which is available to qualified Active-Duty enlisted Marines in addition to qualified Reserve-enlisted Marines; and Officer Candidate Course—Reserve (OCC—R). Since 2004, these programs helped produce a total of 710 lieutenants for the Marine Corps Reserve. The OCC—R program has been the most productive of the Reserve commissioning initiatives, producing 610 officers. The OCC—R program historically focused on ground billets with an emphasis on ground combat and combat service support within specific Reserve units that were scheduled for mobilization. These programs, combined with our prior service recruiting efforts, are projected to provide at least 90 percent staffing of critical combat arms and engineer company grade officer billets by September 30, 2015, with overall officer staffing reaching this level 1 year later.

Civilian Marines are critical enablers to Marine Forces Reserve's ability to meet Service requirements. Our civilian work force across Marine Forces Reserve—more than 350 members—continues its unwavering service and dedication to the Marine Corps Reserve even during these past few years of uncertainty concerning pay and entitlements. They are integral for continuity of operations and for ensuring family readiness across the Reserve Force. Unfortunately, the recent budgetary upheaval and civilian furlough has created significant stress and decline in morale for many of our employees.

As the Marine Corps continues to draw down Active Component end strength, the option to continue to serve in the Reserve Component has become increasingly appealing to young Marines leaving Active Duty. Marines who are approaching the end of their current contracts—Active or Reserve Component—receive more focused counseling on the tangible and intangible aspects of remaining associated with, or joining, a Selected Marine Corps Reserve unit. We continue to ensure that each transitioning Active Component Marine is educated on continued service opportunities in the Marine Corps Reserve through the Marine Corps' transition assistance and educational outreach programs.

In 2013, the Direct Affiliation Program was introduced as a pathway for transitioning Active Component officers and enlisted servicemembers to affiliate with a Selected Marine Corps Reserve unit just prior to separation, facilitating a seamless transition and transitional TRICARE benefits that underscores the Continuum of Service. Additionally, all commanders and senior enlisted leaders across Marine Forces Reserve are tasked to retain quality Marines through example, mentoring, and information and retention programs. This takes place across the Marine experience, not just in the final days of a Marine's contract—Active or Reserve. Your continued support regarding enlistment, affiliation, and re-enlistment bonuses along with other initiatives that promote service to this great Nation underscores our ability to gain and retain the very best servicemembers.

EQUIPMENT

A decade of war and generous funding has enabled the Marine Corps Reserve to achieve a warfighting competence that surpasses anything in our past, but it also comes at an unparalleled cost in maintenance as it applies to equipment readiness. Additionally, the introduction of nonstandard equipment, the fielding of new systems, and the overall increase in the scale and complexity of what today's units are maintaining has compounded the challenge of increased maintenance costs. Effective equipment maintenance requires our leaders to have a mindset of accountability and responsibility for all equipment, especially since Selected Marine Corps Reserve units present unique challenges due to geographic dispersion.

Although we have been engaged in combat operations for more than 12 years, our ground equipment readiness rates for maintenance have remained steady at about

97 percent. This last decade has demonstrated the need to maintain a significant Reserve Force readiness posture that enabled Marine Forces Reserve to be an essential shock absorber for the Active Component.

Several resources and programs combine to form the Reserve Component approach to maintenance. Routine preventive and corrective maintenance is performed locally by operator and organic maintenance personnel. This traditional approach to field maintenance was expanded during calendar year 2008 to include highly effective contracted logistics support and depot-level capabilities. We continue to experience significant success with contracted logistics support and contractors have helped us with performing the work and providing valuable training to our Marines and Sailors at our 160 Reserve Training Centers. This field maintenance augmentation effort has directly improved our equipment readiness by providing valuable hands-on occupational skills training to our Marines while returning time to our Marines to accomplish very important individual training.

The Reserve Component continues to carry a historical maintenance requirement that uses a combination of field maintenance capabilities and contracted logistics support maintenance teams. There is an enduring requirement to support field maintenance operations, contracted logistics support, or some combination of the two in order to sustain the ground equipment readiness of the Force.

Two additional programs have proven highly effective in improving readiness of the Force. The Marine Corps' Enterprise Lifecycle Maintenance Program provides for the rebuilding and modifying of an array of principal end items, such as the Light Armored Vehicle, the Amphibious Assault Vehicle, and our entire motor transport fleet. The Marine Corps Corrosion Prevention and Control Program continues to provide significant benefits. Collectively, these initiatives and the hard work and dedication of our Marines and civilian Marines across Marine Forces Reserve are responsible for our high readiness rates.

Unlike our Active Component counterparts, Reserve units can establish a Training Allowance, which allows unit commanders to have enough equipment on-hand to train to mission essential tasks, but recognizes the reality that Selected Marine Corps Reserve units have limited manpower, facility space, and fiscal resources, as well as competing operational and individual training requirements, that can prevent them from effectively maintaining, managing, and accounting for a full Table of Equipment. Reducing Training Allowance equipment-sets to minimal levels necessary to train is one way to offset the equipment maintenance burden; however, it cannot mitigate the loss of supplemental funding. Active Duty Operational Support and contracted logistics support funding remain essential to sustain acceptable Reserve Component equipment readiness.

National Guard and Reserve Equipment Appropriation (NGREA) funding has been a large resource for procurement of Reserve Component equipment. Fiscal year 2012 NGREA funding was used to procure five containerized Flight Training Devices (FTDs)—one for the CH-53E, two for the MV-22B, and two for the UH-1Y. These devices are currently in the contracting phase of procurement and are projected to be delivered during fiscal year 2015. Additionally, \$120 million of fiscal year 2013 NGREA funding is being used to maintain the ageing KC-130T fleet until the fielding of the new KC-130J, which begins in fiscal year 2014, is complete. The NGREA funding used to replace the KC-130T Weather Radar System and to upgrade the Electronic Propeller Control System will enable the Reserve Component to continue to meet training requirements while transitioning to the new KC-130J airframe. Fiscal year 2013 NGREA funding will also enable the Reserve Component to complete hardware upgrades for the Indoor Simulated Marksmanship Trainer. The Indoor Simulated Marksmanship Trainer is an interactive videodisc-based weapons training system. The Indoor Simulated Marksmanship Trainer includes rifle and pistol ranges, combat scenarios, and shoot/no shoot scenarios that enable Reserve Component Marines to train and range qualify as a basic rifleman when access to physical ranges is not tenable or is cost-prohibitive.

As funding cuts throughout the DOD strain already dwindling training budgets, it is beneficial that Marine Forces Reserve has the ability to procure simulation devices we can use to adequately train our Marines. These simulators aid greatly in maintaining the operational readiness required to ensure Marine Forces Reserve can mobilize and deploy units or individuals to augment, reinforce, or sustain the Active Component. To be sure, NGREA funding continues to be used for its contribution to the modernization, training, and sustained readiness of the Reserve Component.

TRAINING

During June 2014, Marine Forces Reserve will conduct its second Service-level Integrated Training Exercise, which is an assessed regimental-level live-fire and maneuver exercise featuring Reserve-Component forces as the Marine Air-Ground Task Force elements—command, ground, air, and logistics. The Integrated Training Exercise ensures maximum training benefit for the ground, aviation, and logistics combat elements under the command and control of a regimental headquarters. The Integrated Training Exercise is an indispensable component of our Training and Readiness Plan and serves as an annual capstone exercise, which is the principal mechanism for examining our training and readiness levels, as well as assessing our operational capabilities. The Integrated Training Exercise also measures our ability to provide a cohesive Marine Air-Ground Task Force-trained and ready capability to the Service or combatant commander on a predictable, reliable, and cyclical basis. Conducted aboard Marine Corps Air-Ground Combat Center Twenty-nine Palms, California, the Integrated Training Exercise is a Marine Air-Ground Task Force deployment vice a compilation of numerous annual training events. Units are participating based on their future activation potential according to the Marine Forces Reserve fiscal years 2014–2018 Training and Readiness Plan. The Integrated Training Exercise provides all Marine Air-Ground Task Force elements an opportunity to undergo a Service assessment of their core competencies that are essential to expeditious forward-deployed operations. Additionally, individuals serving on the regimental command element staff receive valuable training that enables them to competently perform as individual augments to Marine Air-Ground Task Forces and/or Joint staffs. In summary, the Integrated Training Exercise enables improved readiness, more efficient Total Force integration, and faster activation response times.

At our Reserve Training Centers, we continue to maximize training efficiencies by utilizing simulators wherever possible to preserve fiscal and materiel resources. For Reserve Component Indoor Simulated Marksmanship Trainers (ISMTs), Marine Forces Reserve obligated \$12.3 million of NGREA to fund a future software upgrade and its service contract. The ISMTs directly benefit remote site locations that are distant from DOD training ranges by preserving valuable training time and vehicle wear and tear during drill weekends. Access to ISMTs and other simulation systems ensures Reserve Marines are trained to the same tasks, conditions, and standards applicable to Active-Component Marines, assuring capabilities remain consistent across the Total Force.

Language and culture training continues to be a significant investment opportunity that is yielding a large return on investment for all Marine Reservists. Through the Marine Corps-wide initiative called the Regional, Culture, and Language Familiarization program, our Marines will have a career-long course of study designed to ensure Reserve Marines are regionally focused and globally prepared to effectively navigate the culturally complex 21st century operating environment. Marine Forces Reserve's culture and language programs are delivered via a variety of techniques from live instruction to portable media to Web-based tutorials and applications. Our language and culture section remains fully operationally capable. This enhanced capability enables us to support all units within Marine Forces Reserve with virtual training and required testing. Additionally, we also support other DOD partners in their testing and training. With our Marines deploying around the globe, we access and leverage a variety of other sources of language and cultural training, such as the Marine Corps' Center for Advanced Operational Culture and Language, the Defense Language Institute, and Regional Language Centers. These enhanced language and culture learning opportunities enable our critical core competencies and postures Marine Forces Reserve for success in the complex operating environment of the 21st century.

The Marine Corps is built on trust and teamwork shared between individual Marines and their leaders, and considers Equal Opportunity training as part of basic leadership development. The policy of the Marine Corps is to provide equality of treatment and opportunity for all Marines to achieve their full potential based solely upon individual merit, fitness, and ability regardless of age, color, gender, race, religion, or national origin.

During 2013, the Marine Forces Reserve Equal Opportunity Advisor held three Equal Opportunity Representative Courses and three Senior Leadership Workshops. In total, the Marine Forces Reserve Equal Opportunity Advisor trained 75 Active and Reserve Component servicemembers from across our four major subordinate commands. The attendees of the courses received training that consisted of Marine Corps and command policies, the forms of discrimination to include sexual harassment, identification of behaviors, personnel responsibilities, and characteristics of a hostile work environment. Additionally, training explained the procedures for seek-

ing resolution of Equal Opportunity issues, to include a breakdown of the Informal Resolution System, selecting the best method for filing complaints, how and when to file formal complaints, how to address reprisal, explanation of the complaint timelines, and other external methods to seek redress.

Finally, Marine Forces Reserve continues to integrate safety programs with a wide variety of training to reinforce Force preservation. The benchmark of an effective safety culture is the reduction of mishaps. By continuing the Culture of Responsible Choices initiative begun in 2012, all members of the Force, both military and civilian, have demonstrated a positive mindset toward making it their personal mission to conduct themselves with a focus toward their own safety and the welfare of others. Leadership, at every level, continues to stress the basic tenets of personal responsibility and accountability for decisionmaking and behavior—not only during work, but at home, in leisure activities, and in our personal lives as well. This engaged leadership technique empowers our personnel to get involved when something is just not right.

No program can capture and mitigate all hazards. Accordingly, we continue to focus on the leading cause of death of our personnel, which is motor vehicle accidents. Our training center at Naval Air Station, Joint Reserve Base, New Orleans, is a tangible example of how we incorporate training to fully support our Culture of Responsible Choices initiative. At the Center, personnel receive training in the safe operation of their motor vehicles, which includes both cars and motorcycles. I'm pleased to report that from fiscal year 2012 to 2013, fatal motorcycle mishaps and automobile/truck fatalities were reduced by 13 percent and 11 percent, respectively.

FACILITIES

Marine Forces Reserve occupies facilities in 47 States, the District of Columbia, and the Commonwealth of Puerto Rico. These facilities include 27-owned and 133-tenant Reserve Training Centers, three family housing sites, a Bachelor Enlisted Quarters, and General Officer Quarters A in New Orleans, Louisiana. Although some Reserve Training Centers are located on major DOD bases and National Guard compounds, most of our centers are openly located within civilian communities. Therefore, the condition and appearance of our facilities informs the American people's perception of the Marine Corps and the Armed Forces throughout the Nation. The largest part of the facilities budget is used to sustain the existing physical plant, focusing on infrastructure maintenance that enables Marine Forces Reserve to meet Service and combatant command operational requirements.

The cost of maintaining the physical plant steadily increases with the age of the buildings. Authoritative Navy property records list 70 of our 160 Reserve Training Centers as more than 30 years old and 35 Reserve Training Centers as more than 50 years old. While supporting formal Force structure adjustments and as part of our commitment to consolidate to gain efficiencies during the previous 2 years, Marine Forces Reserve made a deliberate reduction of more than 10 percent in the number of Reserve Training Centers. We improved the overall readiness of our facilities inventory and corrected some chronic facility condition deficiencies through Marine Forces Reserve Facilities Sustainment, Restoration, and Modernization (FSRM) support.

The Marine Corps' Military Construction, Naval Reserve (MCNR) program focuses on new footprint and recapitalization of our aging facilities. The construction provided by the annual authorization of MCNR funding has been an important factor in moving Marine Forces Reserve forward in its facilities support mission. The combined effects from our targeted consolidation, FSRM, and MCNR programs have steadily reduced the number of inadequate or substandard Reserve Training Centers to below 60 percent. Continued annual funding for our facilities program will enable Marine Forces Reserve to improve the physical infrastructure that supports and reinforces mission readiness of our units.

Beyond the obvious requirements to build, maintain, repair and recapitalize our physical inventory are the operational costs associated with occupancy. The "must pays" of utilities bills are relatively constant and immutable. The discretionary costs of associated services, such as landscaping, snow removal, and janitorial service, are investments in preventive maintenance that keep the physical plant accessible, safe, and clean. While these service levels are discretionary, inadequate support over time can serve to hasten the deterioration of associated infrastructure, especially at sites where tree roots intrude on water/sewer lines and snow accumulations and thaws combine to damage pavement. Accelerated degradation may result from underfunded services, which can amplify future program costs.

In an attempt to lessen some of the burden on the energy budget, and in accordance with national mandates, Marine Forces Reserve completed energy assessments

at our owned sites and continues to implement the recommendations from those assessments as funds are available. Priority is given to the sites that are the biggest energy users nationally and those projects which offer the best return on investment. Since 2010, 30 solar/photovoltaic, energy, HVAC efficiency, direct digital control, and efficient lighting projects have been completed at Reserve Training Centers and 18 more solar/photovoltaic projects are earmarked for funding during fiscal year 2014. Applicability of renewable energy credits will continue to be pursued. Three small—100 kilowatt hour—wind turbines installed last year continue to yield savings for the Department of the Navy in Illinois, Michigan, and Texas. Our investment in these renewable energy technologies improves energy security, efficiency, and protection against future rate hikes for our geographically dispersed sites. There are still significant opportunities to improve the energy and water use efficiency of Reserve Training Centers and to expand use of renewable sources contingent on available funds to do so.

To implement sustainable design principles, Marine Forces Reserve uses the U.S. Green Building Council's (USGBC) Leadership in Energy and Environmental Design (LEED) Rating System for New Construction and Major Renovation. LEED is a performance-oriented system based on accepted energy and environmental principles where credits are earned for satisfying criteria designed to address specific environmental impacts inherent in design, construction, operations, and maintenance of buildings. During fiscal year 2013, the Marine Forces Reserve headquarters building was recognized as meeting LEED Silver criteria. In addition, every new FSRM or MCNR project is designed for energy efficiency and sustainability in accordance with LEED principles.

Our environmental program continues to excel. I consider environmental compliance a priority for the command, and reinforce environmental compliance by directing continual training for our Marines and Sailors at each unit and site. As agents of the Federal Government, we are entrusted by the public to make environmental considerations an integral part of installation and range management programs, training activities, equipment fielding, and construction planning processes. The Marine Forces Reserve Environmental Management System provides the Force with a systematic approach to integrate these environmental considerations and establishes a framework for continual environmental improvement over the long term. Furthermore, our environmental program supports the FSRM and MCNR programs by ensuring compliance with the National Environmental Protection Act for each project and action. Due to the geographic disparity of our sites, appropriate long-term funding is necessary to assure consistent environmental monitoring and associated training programs across the Force, as well as to avoid an increased risk of noncompliance.

Marine Forces Reserve manages its national training infrastructure portfolio strategically. Marine Forces Reserve collaborates with all of our different hosts to meet installation support delivery and infrastructure efficiency objectives while simultaneously maintaining unit combat readiness. Implementation of the U.S. Marine Corps' Force Structure Review decisions provided an opportunity to better align mission changes with reduced facilities infrastructure. As the process moves forward, the total impacts will be analyzed to gain efficiencies and reduce the backlog of unfunded MCNR projects, which enables targeted investment in those sites that provide the best operational return on investment. Marine Forces Reserve will exploit opportunities to consolidate multiple smaller sites within the same geographic area into robust sites to reduce overall facility footprint, and associated operational and sustainment costs.

HEALTH SERVICES AND BEHAVIORAL HEALTH

Our focus on Marines, Sailors, and their families remains our highest priority. Therefore, we are keenly attentive to maintaining their health and total fitness. During dwell, our health services priority is to attain and maintain the DOD goal of 75 percent Fully Medically Ready. In fiscal year 2013, Marine Forces Reserve individual medical and dental readiness rates were 73 percent and 87 percent respectively. We aggressively worked towards improving medical readiness by effective utilization of Medical Readiness Reporting System capabilities to enable accurate monitoring and identify unit-level actions necessary to attain readiness goals. Supporting efforts will focus on advocating funds and tailoring support for various Reserve Component Medical/Dental Health Readiness Programs including utilizing to the fullest extent possible a combination of programs to significantly aid in sustaining our total readiness, such as our Reserve Health Readiness Program contract services, Post-Deployment Health Reassessment, Reserve TRICARE Medical and Dental Programs, and the Psychological Health Outreach Program. Additionally, our

personnel participate in Force Readiness Assistance & Assessment Program unit inspections. These inspections provide oversight for the current health status of the Force, specifically at unit levels that provides an ability to monitor compliance requirements, policy adherence, and meeting unit goal initiatives.

The Reserve Health Readiness Program (RHRP) is the cornerstone for individual medical and dental readiness and Marine Forces Reserve has benefited from increases in overall readiness as a result of this program. This program funds contracted medical and dental specialists to provide medical and dental-specific services to units that do not have direct medical or dental support personnel assigned and are not supported by a military treatment facility. This RHRP contract was further renewed for fiscal year 2014. During fiscal year 2013, the RHRP performed 20,036 Periodic Health Assessments, 15,057 in combined Post-Deployment Health Reassessments/Mental Health Assessments, and 13,945 Dental Procedures. In addition, the TRICARE Reserve Select for medical coverage and TRICARE Dental Program are two premium-based, cost-effective healthcare programs offered for voluntary purchase to our Reserve Marines, Sailors, and their families.

The Marine Corps has a robust behavioral health program to address a myriad of issues including Substance Abuse, Suicide, Operational Stress, Domestic Violence, and Child Abuse. They work in conjunction with Navy Medicine programs addressing behavioral health. In regard to specific fitness efforts, Marine Forces Reserve has instituted Operational Stress Control and Readiness (OSCAR) training at all levels. This training provides knowledge, skills, and tools required to assist commanders to prevent, identify, and manage combat and operational stress concerns as early as possible. This training is provided to servicemembers of units that are deploying for more than 90 days during pre-deployment training.

Navy Bureau of Medicine continues to support behavioral health through various independent contracted programs, such as the Post-Deployment Health Reassessment/Mental Health Assessments and the Psychological Health Outreach Program. The Post-Deployment Health Reassessment identifies health issues with specific emphasis on mental health concerns, which may have emerged since returning from deployment. The Psychological Health Outreach Program addresses postdeployment behavioral health concerns and crisis-related interventions through social worker contractors. These social workers provide an array of referral services in the community to include follow-up with servicemembers. These programs have proven effective in the overall management of identifying those Marines and Sailors who need behavioral health assistance and have provided an avenue to those servicemembers who seek behavioral health assistance.

Given that signs of operational and combat stress and suicide can manifest long after a service member returns home from deployment, there are unique challenges presented to Reservists who can be isolated from the daily support network inherent in one's unit and vital medical care. Encouraging Marines to acknowledge and vocalize mental health issues is also a ubiquitous challenge facing our commanders. We are actively combating the stigma associated with mental healthcare through key programs, such as the Yellow Ribbon Reintegration Program, within demobilization and reintegration processes of our Reserve Marines following deployment. Further, we market all our behavioral health initiatives and programs through our Marine Forces Reserve portal Web site and during key Marine Corps forums throughout the year. Your continued support of these programs is greatly appreciated.

There are five suicide prevention initiatives that we leverage for our Reserve Marines and Sailors: (1) In-theater Assessment. Reservists who exhibit or are struggling with clinically significant issues should be seen by competent medical authorities and evaluated for post-deployment treatment with follow-up decisions made prior to their return home; (2) Post Deployment Health Reassessment. It is important that if any issues emerge during the Reservist's Post Deployment Health Reassessment that they are immediately evaluated and referred for treatment by the clinician interviewer. This includes referral recommendations based on available local resources, such as the VA or private mental health providers; (3) Psychological Health Outreach Program. I enthusiastically recommend continued delivery of the Psychological Health Outreach Program, which is an essential program for treatment referral and follow up to ensure our service members are receiving the appropriate behavioral health services; (4) Care Management Teams. This suicide prevention initiative includes the VA's OIF/OEF care management teams that are a readily available resource for our Reservists. The VA assigns a primary care manager, who is responsible for referral and follow-up, to any Reservist who has a healthcare issue; (5) Never Leave a Marine Behind Suicide Prevention Course. We continue to implement the Marine Corps' Junior Marine, Non-Commissioned Officer, Staff Non-Commissioned officer, and Officer modules of the Never Leave a Marine Behind Suicide Prevention Course. The Never Leave a Marine Behind series provides the best

skills and tools available to Marines, Sailors, and their leaders so that they can better cope with the challenges of combat and the rigors of life both deployed and in garrison. Marine Forces Reserve has trained hundreds of Marines who can deliver the Course at our 160 Reserve Training Centers throughout the country.

Additionally, any Reservist and their family can access Marine Corps installations' behavioral health programs through Marine Corps Community Services programming while they are on any type of Active-Duty orders. When they are not on Active-Duty orders, Military OneSource provides counseling, resources, and support to Reserve service members and their families anywhere in the world. The Marine Corps' DSTRESS Line is also now available to all Reserve Marines, Sailors, and family members regardless of their activation status.

Another significant resource is our Chaplain Religious Enrichment Development Operations (CREDO) Program, which is run by our Active and Reserve Chaplains and Religious Program Specialists. The CREDO program at Marine Forces Reserve conducts two distinct retreat programs: Marriage Enrichment Retreats, which supports our efforts to strengthen our families, and Personal Resiliency Retreats, which are designed to foster individual service member's health and wellness. The direct effort to improve a culture of responsible choices and build resiliency across the Force is accomplished at numerous strategically remote training sites usually away from the resources of large military bases. During fiscal year 2013, a total of 278 married couples and 35 individuals participated in 10 Marriage Enrichment Retreats and 4 Personal Resiliency Retreats respectively. For fiscal year 2014, seven Marriage Enrichment Retreats and nine Personal Resiliency Retreats are projected. Anecdotal evidence based on testimonials and survey feedback by participants strongly suggests that these retreats are effective in strengthening military marriages and individuals' core values, which in turn, enhance the readiness of our Force.

SEXUAL ASSAULT PREVENTION AND RESPONSE

Eradicating sexual assault throughout Marine Forces Reserve is a top priority. Efforts towards this goal have continued with increased momentum. In order to improve victim response capabilities, we have added five professional full-time civilian positions to our Sexual Assault Prevention and Response staff at our headquarters office. Together, along with the Sexual Assault Prevention and Response Program Manager, they manage the Sexual Assault Prevention and Response Program at all of the Marine Forces Reserve sites throughout the United States and provide case management to victims once a report is made. In addition to the civilian staff, more than 300 Marines and Sailors were screened and trained, and achieved certification through the DOD Sexual Assault Advocate Certification Program. Once certified, they were appointed by their commanders to be Uniformed Victim Advocates at their respective Reserve Training Centers. Our prevention strategy is holistic, and emphasizes setting the example of discipline from all levels of command. I, along with the four commanding generals of our major subordinate commands, again provided in-person Sexual Assault Prevention and Response training to all of our colonel-level commanders. The focus of this 2-day training highlights how sexual assault is inconsistent with our Marine Corps ethos and core values. Multiple all-hands training events are held throughout the year and all non-commissioned officers continue to receive additional "Take a Stand" bystander intervention training.

QUALITY OF LIFE

We remain passionate in ensuring an appropriate balance and effective performance of our quality of life programs and services to guarantee our programs and services meet the needs and expectations of our Active-Duty personnel and Reservists, including our Reserve servicemembers in the Individual Ready Reserve. In doing so, we continue to operate Family Readiness Programs, revitalize services, and proactively reach out to and keep faith with our Marines, Sailors, and their families.

To meet the challenge of deployments, and to maintain a constant state of readiness, the Marine Corps continues to promote family support through our Family Readiness Officer (FRO) Program. This program is staffed by either civilians or Active-Duty Marines at the battalion/squadron level and above. Additionally, we continue to leverage modern communication technologies and social media, such as the e-Marine Web site, to better inform and empower family members—spouses, children and parents—who have little routine contact with the Marine Corps and often live considerable distances from large military support facilities.

Our Marine Corps Family Team Building (MCFTB) programs offer preventative education and family readiness training to our Marines, Sailors, and family mem-

bers. MCFTB training events were delivered in person and through interactive webinars at Marine Corps units across the United States. During fiscal year 2013, MCFTB conducted 224 training events in which 8,861 Marines, Sailors, and family members received critical and vital information and support.

In regard to personal and professional development, Reservists take advantage of our partnership with tutor.com, which offers access to our Marines, Sailors, and their families to 24/7 no-cost, live online tutoring services for K–12 students, college students, and adult learners. Active and Reserve Marines and their families are also provided remote access to language courses through Marine Corps Community Services Transparent Language Online program. This program supports more than 90 languages and delivers English as a Second Language. Additionally, the Marine Corps' partnership with the Peterson's Online Academic Skills Course helps build math and verbal skills to excel on the job, pass an exam, advance in a career, or continue education. This program diagnoses the current level of reading comprehension, vocabulary, and math skills and teaches the concepts and skills needed to increase proficiency in each of these academic areas. This course is free for servicemembers and their families.

Our Semper Fit program remains fully engaged to deliver quality, results-based education and conditioning protocols for our Marines and Sailors. The High Intensity Tactical Training (HITT) program includes hands-on strength and conditioning courses, online physical fitness tools, a mobile application for servicemembers to access anywhere at any time, and recorded webinars, as well as instruction on injury prevention, nutrition, and weight management. Our Marines' and Sailors' quality of life is also increased through various stress management and esprit de corps activities, such as unit outings and participation in competitive events. These programs are key to unit cohesion, camaraderie, and motivation.

The Marine Corps' partnership with Child Care Aware of America (formerly known as the National Association of Child Care Resource and Referral Agencies) continues to provide great resources for Marines and their families in selecting child care before, during, and after a deployment. Our off-base child-care subsidy program helps families of our Reservists locate affordable child care that is comparable to high-quality, on-base, military-operated programs. This program provides child-care subsidies at quality child care providers for our Reservists who are deployed in support of overseas contingency operations and for those Active-Duty Marines who are stationed in regions that are geographically separated from military bases and stations. Additionally, our Marine families—Active and Reserve—who are enrolled in the Exceptional Family Member Program are provided a case manager and offered up to 20 hours of free respite care per month for each qualified exceptional family member. This gives our families confidence that their family member will be taken care of when they are in need of assistance.

The Yellow Ribbon Reintegration Program has been integrated into the Marine Corps Unit, Personal, and Family Readiness Program at every command level with full-time Reserve and Deputy Reserve Family Readiness Officers (FRO). The responsibility of executing Yellow Ribbon in accordance with the legislation, and further defined by Marine Forces Reserve policy, resides with the individual unit commander. This ensures commanders remain engaged with the challenges and issues facing their Marines, Sailors, and families, and is in line with Force Preservation efforts.

In fiscal year 2013, Marine Forces Reserve hosted 103 events and participated in 10 Joint Service events with a total of 4,651 attendees, which includes Marine Forces Reserve Marines, Sailors, and their qualifying guests. The highest frequency of events were predeployment trainings.

In fiscal year 2014, the Marine Corps anticipates continuation of the Yellow Ribbon Reintegration Program, but recommends a reduction in the number of events due to an anticipated decrease in combat operations. In light of future budgetary concerns, Marine Forces Reserve has worked internally during fiscal year 2013 with its Marine Corps Family Team Building staff and Family Readiness Officers to develop alternative methods of delivery of the Yellow Ribbon training in order to ensure that the Yellow Ribbon mission can be accomplished regardless of funding levels. This includes developing webinars, mail-outs, and working with the Family Readiness Officers to leverage local resources at no cost.

We continue to be supportive of Military OneSource, which provides our Marines, Sailors, and their families with an around-the-clock information and referral service via toll-free telephone and Internet access for counseling and on subjects such as parenting, child care, education, finances, legal issues, deployment, crisis support, and relocation.

Our Marines, Sailors, and their families, who sacrifice so much for our Nation's defense, should not be asked to sacrifice quality of life. We remain a staunch advo-

cate for these programs and services and continue to reintegrate and align our programs and services to meet current and future challenges. The combined effect of these programs is critical to the readiness and retention of our Marines, Sailors, and their families, and your continued support of these programs is greatly appreciated.

SUPPORTING OUR WOUNDED, ILL, OR INJURED MARINES AND THEIR FAMILIES

We continue to work closely with the Wounded Warrior Regiment (WWR) to ensure there is one standard of care for all Wounded, Ill, or Injured (WII) servicemembers—whether they are Active or Reserve. The WWR holds high levels of subject matter expertise concerning the unique challenges faced by Marine Reservists and has established care assets accordingly. For example, the WWR has dedicated staff—the Reserve Medical Entitlements Determinations Section—to specifically maintain oversight of all cases of Reservists who require medical care beyond their contract period for service-connected ailments. We requested increased partnerships with the WWR and in April 2013, the Regiment assigned a liaison to my headquarters command to provide care and support to our WII Marines and unit command elements. Additionally, the WWR dedicated five Reserve-specific Recovery Care Coordinators to provide one-on-one transition support and resource identification required to support WII Reservists and families who are often living in remote and isolated locations. The WWR also has District Injured Support Coordinators—geographically dispersed mobilized Marine Reservists—who assist Reserve Marines throughout the country, which includes face-to-face contact.

Regardless of the global security environment, recovery care support must be enduring. We will continue to work with the WWR to establish resources and programs that address the unique needs of our Reserve population.

CONCLUSION

The Marine Corps is our Nation's crisis response force and will continue to be most ready when our Nation is least ready. As part of the Marine Corps Total Force, Marine Forces Reserve's commitment to organize, man, train, equip, and provide forces to augment, reinforce, and sustain the Active Component in support of combatant commander requirements remains so very vital now and for the future. We live in a world of increasingly complex security challenges across the globe and fiscal uncertainty at home, but we stand ready, relevant, and responsive to meet any current operational requirements and energetically respond to future emergent contingencies. Your continued unwavering support of the Marine Corps Reserve and its associated programs is greatly appreciated. *Semper Fidelis!*

Senator DURBIN. Thank you very much.

We have a roll call vote at 11 o'clock. I am going to try to make sure that we have one full round here before that occurs. So it will be about 4 or 5 minutes for each of us, and let me start.

Mr. Secretary, sexual assault is a very serious problem, and we just debated it at length in the Senate. Two competing views on what should be done, Senator McCaskill representing one, Senator Gillibrand, the other.

In the 2012–2013 school year, there were 15 reported cases of sexual assault at the Naval Academy. The latest Department of Defense report found that one in seven midshipmen said they experienced unwanted sexual contact within the last year.

The Navy recently disqualified 151 sailors from positions of trust, ranging from sexual assault counselors to recruiters, after a review directed by the Secretary of Defense.

This subcommittee included \$25 million to expand the Special Victims' Counsel pilot program to all the services. It will ensure every victim has the legal assistance and support that he or she needs throughout the criminal justice process.

I realize we just passed this a few months ago, but I would like to have your comments on what we have suggested, and can you tell us what is being planned or what you are doing to ensure that

sailors are ethically qualified and properly trained to serve in positions of trust?

SEXUAL ASSAULT PREVENTION EFFORTS

Mr. MABUS. Thank you, Senator.

We are doing a wide range of things, and I want to thank this committee and thank Congress for changing a lot of the ways we can attack sexual assault in the military.

At the very beginning of my tenure, I established a sexual assault response officer who reported directly to me, and I see her on a very routine basis.

And one of the things that we have seen, particularly in the last 2 years, is we have seen the number of reports go up dramatically in both the Navy and the Marine Corps. And we believe this is because people are beginning to be more comfortable and more confident in the process that they face when they report sexual assault.

There is far more work to be done, but we do think we are getting traction. For example, we looked at where the major problems in sexual assault were, and they were not at boot camp in Great Lakes, but they were immediately following that, in the A schools that most of our sailors go to, and so we put a special emphasis on that.

We are doing interactive role playing with sailors, and we visited every base and fleet concentration area around the world.

The senior leadership in both the Navy and Marine Corps has been exceptionally involved in this. We are doing things like running shore patrols at night in fleet concentration areas. And we are moving to treat the Naval Academy exactly the same way we treat the fleet, because we are finding ways in the fleet to attack this terrible, insidious issue.

And in the remainder of my time, I would like to talk just for a second about that 151 number. The Navy removed five people from positions of trust for serious issues. The other 146, when we took a wider look, were mainly for administrative things. They hadn't gotten one piece of paper signed. There were four people at the Naval Academy who didn't have Ph.D's and needed it to teach. It had nothing to do with sexual assault.

The five that we removed, we found that we removed them because we didn't find them in our first screening process because we only went back 36 months, so we have changed that. We are going back through an entire career now.

And we have this very, very rigorous prescreening process. Before you can become a recruiter, before you can become a drill sergeant, before you can deal with sailors or marines, we take you through this screening process. I think that is one of the reasons the numbers are so low, five for the Navy, and zero for the marines.

Senator DURBIN. Mr. Secretary, I can't speak for any other Senators, but for myself, this is an issue which we will continue to monitor, which we must, at our level and at your level as well.

Senator Cochran.

ASIA-PACIFIC REBALANCE

Senator COCHRAN. Thank you, Mr. Chairman.

Mr. Secretary, thank you for your cooperation and attendance here, and the entire panel.

I first want to congratulate you for your leadership and the serious way in which you are handling your responsibilities.

In looking toward some of the issues that have been before the committee as we try to allocate resources across an ever-growing challenge, there is not enough money to do all the things we would like to be able to do in defense of our country, but we have to pick and choose.

We heard a lot about rebalancing the Navy toward the Pacific. Several months ago, that seemed to be the issue that was being carefully weighed and was the subject of hearings. I wonder now, with the developments in Eastern Europe and elsewhere, are we ahead of ourselves? Are we reassessing the rebalancing toward the Pacific in exchange for more attention to where the action seems to be now, the Crimean Peninsula, particularly?

Mr. MABUS. Thank you, Senator.

The rebalance to the Pacific continues, and it continues to be a focus for the Navy, and I can give you example after example, moving from 55 percent of our fleet to 60 percent of our fleet in the Pacific, another amphibious ready group to move in a couple of years there, moving marines rotationally into Australia, rotationally and permanently to Guam, the forward-stationing of four littoral combat ships in Singapore, and the placing of our most modern, most up-to-date platforms in the Pacific.

None of that is to take away from the other responsibilities that the Navy has. And one of the reasons the CNO, the Commandant, and I have stressed so much shipbuilding and presence is so that we can respond to wherever the Nation needs us to respond.

We are a global Navy, and the defense strategic guidance that was put out by the President in 2012 said that we should focus on three areas. One was the western Pacific, but one was the Arabian Gulf, and that part of the world, the Central Asia part of the world, and one was on building partnerships.

The Navy, the Marine Corps, have been focused on that so that when a crisis arises whether in the Black Sea or anywhere else in the world, that we are there with the appropriate tools to take on whatever task the Nation and the Commander in Chief gives us.

Admiral GREENERT. Senator Cochran, 30 seconds. I have a little folder in front of you. It has the Asia-Pacific rebalance. I just thought somebody might ask about it.

But anyway, it shows we are on this track.

I call your attention—we have 21 ships in the EUCOM arena right now, or area of responsibility, and we are putting four destroyers in Rota, so we are, as the Secretary said, forward-stationing in the European region as well as in the Pacific region.

I think we have it covered reasonably well, sir.

Senator COCHRAN. Thank you.

General, would you like to comment on the role of the Marine Corps in this?

General AMOS. Senator, I would be happy to.

First of all, we have been aggressively rebalancing to the Pacific, although we never left. Today, as we meet, we will have about 20,000 marines—we do today—about 20,000 marines west of the International Date Line.

If you remember, Secretary Panetta said, “I want 22,500 marines,” so we are headed out that direction.

I think back to the strategy though, we need to first—we do, as the Service Chiefs—look at the joint force. Yes, we may be rebalancing to the Pacific, but there are other elements of the joint force that are available for Europe.

And my sense is that when the DSG was rolled out 2 years ago, it was maybe marketed just a little bit misleadingly. There was never the intent for any of the Chiefs to vacate Europe or vacate Africa or SOUTHCOM (Southern Command). It was simply to take the major spotlight and turn it on the Pacific.

I think today, what is happening in Central Europe verifies and validates the fact that we still need to have a very close, watchful eye on that part of the world, because it is a dangerous part of the world in dangerous times.

Senator COCHRAN. Thank you, Mr. Chairman.

Senator DURBIN. Thank you.

Senator Mikulski.

Senator MIKULSKI. Mr. Chairman, Senator Cochran, first of all, I am very proud of this committee and the way we have supported the United States military. And we have worked on both sides of the aisle, and we have worked on both sides of the dome.

And the fact that this Appropriations Committee and this subcommittee, we were able to take the Murray-Ryan budget and actually turn it into a real appropriations committee.

So I am sure that for you, it was important—all of you—that it gave you two things. It gave you certainty, and it canceled sequester, which has been a source of heartburn to the leadership and your ability to turn.

We hope to be able to, again, do this for fiscal 2015. We are moving in a very brisk way to meet our obligations. We are going to want to talk with you as we move through our process, supporting the President’s goals, the outline of your excellent testimony today is, if we continue this momentum of 2014 and 2015, how could it get derailed or diluted in fiscal 2016 if we go back to sequester?

So we want you to continue to have these building blocks that you need. So that is just an overall statement.

But again, we are going to continue the effort that is the hallmark of this subcommittee and so on, bipartisan, bicameral, to support our United States military.

MILITARY CULTURE, GENDER EQUALITY, SEXUAL ASSAULT PREVENTION

So this, though, gets to my question. We support your goals and the President’s goals of the military having the best tools, the best ships, the best planes, and the technology, but it is as only as good as the people, which takes me to the culture.

Senator Durbin has raised the question of sexual assault. My concerns about this are well-known.

But I wonder, what is being done by the leadership to get the entire Navy and Marine Corps ready for the new demography? You

are going to have more women serving in combat roles. They were outlined in great detail in General Amos's testimony. We have more women serving in more combat positions.

You are going to have more openly gay members serving in the military. And we continue to have this issue of assault not only on women, but on men as well.

So where does the culture come in terms of the training so that they then continue to be one of the most esteemed institutions in this country? The military is the most esteemed institution.

I am going to turn to you, Secretary Mabus, and then to our Admirals and our Generals.

Because the Durbin question, which is an excellent question, and the women have worked on what happens with victim assistance, prosecutorial reforms, great things. But those are after the fact.

What do we do in terms of a culture that prevents these things from happening, where men and women in the military continue to respect other men and women in the military, regardless of who they are, what they look like, or their personal affections?

Mr. MABUS. That is the most important thing that we are trying to do, Senator.

The changes that we have made in terms of how you treat shipmates with respect, how an attack such as sexual assault is an attack. It is a crime. It is not worthy of this military. And it has the ability to fray and undo a lot of the good things that the military has done.

Very briefly, in terms of integrating women into the Navy, we have now opened up every single MOS (Military Occupation Specialty) and position in the Navy, except for Special Forces, and that is not a decision that Navy gets to make.

I was at Kings Bay, our submarine base. I asked there how the integration of women on submarines has gone, and the big news was there was absolutely no news. It was just a matter of course. And nobody saw anything even remotely remarkable or unusual about that.

I think the same thing with the end of Don't Ask, Don't Tell, and having gays and lesbians serving openly in the military. There just has not been the feared or maybe even anticipated reaction to that, and I think that shows a change in the culture of our military.

Admiral GREENERT. Madam Chairwoman, we found that we do a pretty good job, and this is based on statistics of how people behave, what their conduct is, and our feedback when they enter the service. In other words, a recruit training center and in our A schools, the kids, based on how they perform, how they behave, they get it.

But then they go out to sea and we say, how do you refresh them? Because it is a relentless, continuing challenge to make sure that they understand what is expected of them and how we work together in character development and leadership development.

So we have stood up, as you are well-aware, at the Naval Academy, we have an Ethical and Leadership Center, which has fed a part of our development of officers, both at the Academy and otherwise. And we need to continue that through their career.

So what we have is we have a leadership and character development center—

Senator MIKULSKI. Excuse me, Admiral. I can see my colleagues are getting edgy. If we could keep the question or answer short, or maybe you need to submit this for the record. I am very sensitive to the fact that there are three other Senators that have to ask questions.

Admiral GREENERT. I will summarize. It is a continuum, ma'am, from E-1 to E-10, E-9, O-1 to O-10.

I will submit it for the record.

[The information follows:]

Understanding the realities of sexual assault and the conditions under which they occur is a primary, continuous activity. Prevention initiatives continue using a multi-faceted approach focusing on command climate; deterrence; and bystander intervention. Navy commanders are charged with fostering an environment where behaviors and actions that lead to sexual assault, as well as sexual assault itself, are not tolerated, condoned or ignored.

To prevent assaults, the Navy needs to eliminate behaviors on the left side of the continuum of harm. These behaviors include sexist behaviors (comments, jokes, and behaviors meant to demean people based on their sex or sexual orientation), and sexual harassment (unwanted behaviors of a sexual nature that create a hostile work environment). In addition to focusing on the elimination of sexual harassment, the Navy continues to provide multi-faceted messaging about the Sexual Assault Prevention and Awareness program, Cultural awareness, and the effects of alcohol on interpersonal relationships and individual decisionmaking. The first step in helping to eliminate these behaviors is through training.

The Navy has an established training continuum for Enlisted Personnel:

Recruits.—Receive 3 hours of Command Managed Equal Opportunity/Sexual Harassment training during week three of recruit training. (SAPR-Fleet)

Pre-Technical Training.—Per NETCINST 1500.11, Navy Military Training Program comprises 2 hours of training delivered to all enlisted sailors attending formal schoolhouse courses during their first year of service following recruit training. Other relevant topics in this 2-day course include: Decisionmaking; Hazing; Sexual Harassment; Fraternization; Blue-on-Blue Violence; and Sexual Activity. Each Sailor also receives 4.5 hours of focused Bystander Intervention skills training during the same introductory course period. Further, "No Zebras" and other "edutainment" training funded by DON SAPRO has been expanded to concentrate on "A" school locations

Chief Petty Officer/Petty Officer Indoctrination.—All selectees (Chief Petty Officer, First Class Petty Officer, Second Class Petty Officer, and Third Class Petty Officer) attend leadership courses to receive 1 hour of training on Equal Opportunity/SH policy, in addition to a one hour Sexual Assault Awareness and Prevention Module.

Senior Enlisted Academy (SEA).—Senior Enlisted personnel (E7-E9) receive 5 hours of Command Climate training during the SEA Residence Course in Newport, Rhode Island.

Command Master Chief/Chief of the Boat (CMC-COB)/Command Leadership School.—SAPR-CLS is delivered during 2 hours of focused time on the topic of sexual assault prevention and response. Additional focus on the responsibilities of command leaders to foster climates free of destructive behaviors is delivered in both case study and seminar format throughout the course of instruction. The audience includes CMC-COB students, together with PCO, PXO, and MC students in small groups.

Command Indoctrination.—Per OPNAVINST 1740.3C, a Command Indoctrination Program must include Navy Pride and Professionalism (NP&P) training and be provided to all newly reporting personnel within 30 days upon arrival. NP&P includes such topics as: Diversity; Pride in Self and Core Values; Violent Behavior Awareness; and Sexual Harassment. Additional command indoctrination topics include Sexual Assault awareness training.

General Military Training (GMT).—Per NAVADMIN 386/11, Sexual Assault Prevention and SH Training is delivered face-to-face annually.

The Navy has an established training continuum for Officers:

Naval Reserve Officer Training Core (NROTC).—Students receive two hours of training during fall and spring indoctrination and prior to summer cruise. It is also mandated that all Naval ROTC units 4/C-2/C Midshipmen receive SAPR-F training, while all 1/C Midshipmen receive SAPR-L.

Officer Candidate School (OCS).—Students receive one hour of training during week one of the school.

Officer Development School (ODS).—Staff Corps Officer Students receive one hour of training during week one of the school.

United States Naval Academy (USNA).—Students receive Sexual Harassment and Prevention Education on a progressive schedule, to include both SAPR-F and SAPRL through-out all 4 years at the Academy.

Command Indoctrination.—Per OPNAVINST 1740.3C, a Command Indoctrination Program must include Navy Pride and Professionalism (NP&P) training and be provided to all newly reporting personnel within 30 days upon arrival. NP&P includes SH training.

General Military Training (GMT).—Per NAVADMIN 386/11, Sexual Assault Prevention and SH Training is delivered face-to-face annually.

Commanding Officer (MC, CO, XO)/Command Leadership School (CLS).—SAPR-CLS is delivered during two hours of focused time on the topic of sexual assault prevention and response. Additional focus on the responsibilities of command leaders to foster climates free of destructive behaviors is delivered in both case study and seminar format throughout the course of instruction. The audience includes PCO, PXO, and MC students, together with CMC-COB students in small groups.

Every Sailor, E-1 to O-10, received targeted SAPR training through either SAPR-Leadership (SAPR-L), SAPR-Fleet (SAPR-F), SAPR-General Military Training for Khakis (SAPR-GMTK), the DOD directed SAPR-Stand down, or any combination of the training efforts.

To ensure the right dosage of training in the Fleet, decentralized training is ongoing in fiscal year 2014. General Military Training (GMT) remains an annual requirement that is directed by legislation. The SAPR GMT syllabus has been updated to align with DOD core competencies and Learning Objectives. To meet NDAA 2012 requirements, the Navy's Professional Military Education (PME)/leadership course curriculum has been updated where SAPR training gaps existed.

Bystander Intervention (BI) is another key element of our prevention efforts. Bystander Intervention has three major goals: Raise the awareness of Sailors about the continuum of behaviors that can lead to battering, sexual harassment, sexual assault and other forms of abuse; challenge Sailors to play an active role in reducing sexual violence, harassment, and abuse and discourage them from being passive bystanders; and, empower Navy leaders to mentor and educate their peers and Sailors on these issues. Specifically:

- All Training Support Center/"A" schools deliver BI training to post-recruit training Sailors (see above).
- SAPR-Fleet training is completed during recruit training.
- The Coalition of Sailors Against Destructive Decisions chapters provides peer-to-peer mentoring and SAPR strategic messaging.
- Fleet Workshops and Personnel Readiness Summits are delivered to the Fleet concentration areas; programs incorporate Bystander Intervention training and innovative sexual assault training edutainment (e.g., Sex Signals, No Zebras, InterAct).

In Q1 of fiscal year 2015 we are taking BI even further with "Bystander Intervention to the Fleet" whereby we will create a cadre of Sailors to deliver Fleet-specific skills based training. This cadre of Trainers will travel to Fleet concentration areas, both CONUS and OCONUS, ashore and afloat, to deliver training. Fleet wide training would reach beyond the SAPR realm and address other destructive behaviors on the continuum of harm.

In 2015, we will also introduce a new generation of training tentatively titled "Living our Core Values: Charting the Course." This training would address the grey area between sexual harassment and sexual assault—those left side of the continuum of harm behaviors that when left unchecked lead to a detrimental command climate where undesirable outcomes are inevitable. The training would include comprehensive, personal leadership development (Resilience) which could include physical fitness, leadership, ethics, and justice training (including self-assessment), bystander effectiveness training (for drugs, alcohol, SAPR, harassment, hazing, bullying and other issues which are related to destructive behaviors), operational stress control and suicide prevention, and alcohol abuse training. These are positive, developmental initiatives which allow individuals to transcend human behavioral issues, and are underscored by personal accountability.

Senator DURBIN. Thank you very much, Admiral.

Senator Shelby.

Senator SHELBY. Thank you.

Senator MIKULSKI. All of it for the record.

LITTORAL COMBAT SHIP WAY FORWARD

Senator SHELBY. Mr. Secretary, the Department of Defense, as you well know, has decided to reduce the overall purchase of LCS ships from 52 to 32, in favor of what we have heard is a more capable service combatant, whatever that means.

I understand the decision about the future of the program will go one of three ways, possibly. It could stay on track. It could be modified. Or the Navy could draw up an entirely new design.

Last week, you commented that you saw the modification option perhaps as a viable option in the future. Could you discuss that for the committee today?

Mr. MABUS. Senator, I will be happy to, and I think it is very important to look at exactly what the Secretary of Defense said about LCS.

First, he said that we should not engage in contract negotiations past 32 ships. And getting to 32 ships will take us almost completely through this 5-year defense plan.

Second, you are absolutely correct that there were three options and Navy has set up a team, the CNO has set up a team, to look at our options, and the three options that you gave—continue the LCS, continue a modified LCS, or a brand new design.

The last two things, though, that the Secretary pointed out was that we had to take cost into account, and we had to take delivery time to the fleet into account, because overall, we need the 52 small surface combatants that we have said that we need.

We will have this review done in order to inform the 2016 fiscal year.

And, Senator, one other point I would like to make, this is not unusual in Navy ships. We are about to start building flight 4, flight 3, but there was a 2 and a 2A, on our DDG-51s that are built in Maine and Mississippi. We are about to begin flight 4 on our *Virginia*-class submarines.

So we take a look at these programs and change as requirements change, as technology changes. And the great thing that a ship like LCS brings is that, as technology changes, as missions change, because it is modular, you don't have to change the whole ship, you just change the weapons system.

And the final thing I will say is that the price of LCS, one of the things I am most happy about, the first ships of those classes, both varieties, built in Alabama and Wisconsin, cost more than \$750 million. The ships coming out, the 10th ship on the block buy from each one will cost around \$350 million.

Senator SHELBY. So the more you buy, the price comes down. Isn't that just basic economics?

Mr. MABUS. It is basic economics, and it is true for every ship. I want to point that out.

Senator SHELBY. How important, Mr. Secretary, for the record, is LCS to the Navy?

Mr. MABUS. Well, a small surface combatant is critical to the Navy. And if you listen to our combat commanders, if you listen to the needs that they require, we have to have the counter-mine ca-

pability, the counter-surface capability, and the counter-submarine capability that these ships are designed to bring.

And in terms of the counter-mine and counter-submarine, the weapon systems that LCS has today are better than what we have in the fleet.

JOINT HIGH SPEED VESSEL

Senator SHELBY. Admiral Greenert, the joint high speed vessel, the Navy made the decision last year to stop production of the joint high speed vessel at 10 ships. Could you describe the benefits that the joint high speed vessel brings to the Navy's mission and bottom line? And limiting it to 10 ships, what would that do to partnership training and engagement capabilities?

Admiral GREENERT. Senator, we limit it to 10 because we are going to forward-station them. And we are still sorting through that.

Senator SHELBY. I know you are.

Admiral GREENERT. That need may grow. But it was built for predominantly high-speed logistics. It can do so much more. It can do counter-piracy, counterterrorism, theater security cooperation, and things we don't even know yet.

During the Sochi Olympic Games, the Spearhead, the No. 1, was standing by to evacuate folks, if needed. That is called noncombatant evacuation. It could take 1,200 people. We just needed life preservers.

My point is: It is still evolving. I think we have a host of capabilities in that ship that we don't know about yet. But I have a team on it.

Senator SHELBY. Thank you. The Navy will revisit that 10-ship number?

Admiral GREENERT. Sir, we revisit the 10-ship—in fact, we are going to do a force structure assessment this summer, due to the QDR. But we revisit all of our ship types.

Senator SHELBY. Mr. Chairman, I have one quick question. I know everybody wants to ask them.

The amphibious class ship, General Amos, how important is that?

General AMOS. Sir, that is the Swiss army knife of the United States Navy-Marine Corps team. It does everything.

Senator SHELBY. It is essential, isn't it?

General AMOS. It is absolutely critical. It is the bread and butter of what we do.

Senator SHELBY. Do you have enough of them?

General AMOS. No, sir, we don't.

Senator SHELBY. Okay.

Thank you, Mr. Chairman.

Senator DURBIN. If you buy more, they are cheaper.

Senator Collins.

General AMOS. Sir, I would like to add 54 of them. It is just a function of money.

SEQUESTRATION IMPACTS—DDG-51 AND DDG-1000

Senator COLLINS. Thank you, Mr. Chairman. Actually, you have given me the exact right lead-in to my questions of Secretary Mabus.

Mr. Secretary, I am very concerned that sequestration—those indiscriminate, automatic cuts—are going to kick back in in 2016 if we don't act. We have a 2-year reprieve, but in the fact, the Budget Control Act calls for those draconian cuts to resume in 2016.

There are two issues that I want to raise with you about the impact of those automatic cuts known as sequestration. And the first follows up with the point about the efficiencies that you achieve if you have multiyear contracts.

Right now, we are looking at a 10-ship buy for the DDG-51 class of destroyers. It is a 10-ship buy. And that 10-ship buy actually saves the Navy some \$1.5 billion. Is that correct?

Mr. MABUS. That is absolutely correct.

Senator COLLINS. And so, that is essentially allowing us to get an extra destroyer for free, if you look at it, compared to buying them individually and not having the certainty of the 10-ship buy. Is that correct?

Mr. MABUS. You have identified one of the pernicious effects of sequestration, that it has the potential, if it kicks back in in 2016 to give us fewer ships but at higher cost.

Senator COLLINS. And that, Mr. Chairman, truly is the worst of all worlds. If we don't have the certainty of the 10-ship buy, we end up paying more per ship and getting fewer ships.

So I hope we will keep that in mind and make sure that we do not allow sequestration to kick back in and undermine the savings that otherwise would occur for ships that we really need.

The second related issue has to do with the number of destroyers that could be procured. Right now, we are scheduled to build two DDG-51s per year, fiscal year 2015 through fiscal year 2017. Yet according to the chart that Admiral Greenert gave us today, it sure looks to me that we would be in jeopardy of losing three of those destroyers if we have to budget at the BCA levels.

Admiral, am I reading your chart correctly?

Admiral GREENERT. Yes, Senator, you are reading it correctly.

Senator COLLINS. And could you describe the benefits that destroyers provide, the DDG-51, in terms of their missile defense? They are the real workhorse of the fleet, are they not?

Admiral GREENERT. Yes, Senator. They are the premier warship, surface warship, of our fleet, premier.

Senator COLLINS. And if you look at the number of ships that the combatant commanders have requested, how many is that?

Admiral GREENERT. Well, if we add them all up, 450 is what they say they need to do the global engagement of the force.

Senator COLLINS. Now, I realize that is without considering cost, but I just want my colleagues to realize that the combatant commanders say that if you really fulfilled their needs and met their requirements, we would actually need 450 ships.

And I think that is really important for us to keep in mind as we go through these budget deliberations.

Thank you, Mr. Chairman.

Senator DURBIN. Thank you, very much.

Senator Coats.

Senator COATS. I will be brief, because I know we have a vote.

I want to just step back and look at the larger picture. I think talking about the number of ships we need right now, the more you buy, the more you build, the cheaper they are, and so forth and so on.

But the reality is that every year we sort of have a shrinking percentage of the overall budget, because of our runaway mandatory spending.

And that is a reality. That is a reality we all have to deal with. And so while we can sit here and each year or each budget cycle, say, well, we have to cut a little more, cut a little more, even though we think we need to have more, particularly given the status of the threats around the world today—and I strongly support that stronger military—we have to face that reality.

MANDATORY SPENDING PROGRAMS AND IMPACT ON FORCE STRUCTURE

But within that reality is also the reality of the fact that, within your own budgets, personnel costs and mandatory spending there is also a factor. And so I guess my question is: How do we best address that within your budget?

I know some recommendations will be coming forward. I am not asking here for specifics, but I think working with the committee is important in terms of how the military itself addresses its own concerns relative to the personnel and mandatory spending within your budgets, how it affects the number of ships we are able to buy, the number of people we can put in uniform, the number of training hours we can give our soldiers, sailors, Air Force, and marines.

So, Secretary Mabus, I don't know if you want to make a quick comment on that, but how can we—well, I will just make two points here. One, I think we need to work with you relative to that issue within, and then I think we need to have all of you standing up to Members of Congress and saying, "If you want to have a robust military to deal with the threats in the world today, we need to address this larger problem, because we are part of a pool of discretionary spending that is shrinking every year based on the runaway spending outside of the discretionary."

Mr. MABUS. Senator, if we don't get a handle on personnel costs and benefits, it will have an impact on the entire rest of our budget. We are at that point now, and we have made recommendations that are supported by the CNO and the Commandant and all the Joint Chiefs to curb the growth, not to cut, but to curb the growth of spending in this area.

It is important to keep faith with an All-Volunteer Force, but it is also important that they have the tools that they need, that they have the platforms, that they have the weapons, that they have the training, that they have the operations to do the things that they need to do and that the Nation needs for them to do.

And one of the greatest dangers to that are personnel costs that are eating up a larger and larger percentage of our budget.

And I think the CNO and the Commandant should comment on that as well.

Admiral GREENERT. Senator, I think it is a balance. Any money that we would garner, as the Secretary said, by curbing the growth is reinvested in what we call the quality of their work. And it is about increased predictability, parts, training, personnel training, professional training, unit training, to improve their environment around where they work. That is where they have explained to us—they said to us, “We are pretty compensated, but I am not happy with my environment right now.”

Well, I would submit we are out of balance a little bit, and there is where we can invest these savings from curbing growth.

General AMOS. Senator, we have got the best military our Nation has ever seen in its history. They are well-paid. They’ve been well cared for. And they should have been well-paid, and they should have been well cared for. They have borne the burden of the last 12 years, and you know that.

But this is a balance. And the Chiefs and the senior enlisted advisers of all the services and the Joint Chiefs have put forth what we consider to be acceptable, reasonable solutions—partial solutions to the enduring cost—the rising cost—of compensation.

We would just ask Congress to look at those, understanding that we have represented our 240,000 Reserve and Active Duty Marines and their family members with this thing. It is reasonable. It is a balance.

And we are the cheapest per person of any service. Per man, per woman, the Marine Corps is the cheapest.

But the fact is that if we don’t get some of this stuff under control within reason, we will become an entitlements-based Marine Corps, and that is not why America built a Marine Corps 238 1/2 years ago. We are here to do the Nation’s bidding, to fight the Nation’s battles.

So I think it is a balance to reach that, and it is not either/or, but it is a combination, and we just need your support with it.

Senator DURBIN. Senator Graham.

PERSONNEL AND COMPENSATION REFORM

Senator GRAHAM. Thank you.

I just happened to have left a subcommittee hearing on the Authorization Committee, where I am the ranking member of personnel. There is about \$2 billion of personnel structural changes that are necessary, given the budget caps, and we are trying to find out what the commission does in February. They say, “We can’t wait.” They have done a good job of trying to scrub TRICARE, commissaries, the whole nine yards.

Count me in for structural changes as part of any sustainable military. You just can’t have the personnel arena not addressed, and structurally you have to do it. I just think it would be smart to wait for the commission.

So that is going to be my position. If we could find \$2 billion in new money, it would take a lot of the pressure off readiness and other accounts, because \$2 billion coming out of personnel, under this construct, I am not so sure I can support.

Do you agree with me, General Amos, pound for pound, the Marine Corps is the best investment in the world?

General AMOS. Sir, I have testified before you many times. I know this is a box canyon, but yes.

Senator GRAHAM. Okay, good. Just seeing if you are awake. I know you always would be. No, I believe that.

EA-18G REQUIREMENTS

The EA-18G Growler, the F-18, Admiral, you have made an unfunded priority for an additional 22 of these airplanes? Could you tell the committee why? What the airplane does and why you need 22?

Admiral GREENERT. The airplane is called "Electronic Attack." What it does is it enables us to get access. It jams and spoofs radars. It suppresses enemy air defenses so that we can get through those defenses.

It also is a cyber-tool, if you will—weapon, and it can defend itself. So it can also suppress, but also it carries weapons. Very, very capable and an emerging and continuing part of our air wing of the future. I am absolutely convinced of that.

Senator GRAHAM. And given the threats the Nation faces, this becomes a platform more relevant, not less. Do you agree with that?

Admiral GREENERT. Absolutely. Yes, sir.

Senator GRAHAM. Okay, one final question.

From the Marine Corps' perspective, if sequestration is fully implemented, what effect will it have on the Marine Corps? Mild, severe, moderate?

General AMOS. Sir, we will be a 175,000 force from 202,000, and if sequestration remains, after 2016 and beyond, we will be a high-risk force.

Senator GRAHAM. Navy?

Admiral GREENERT. Sir, we will be too small for presence that the COCOMs (combatant command)—I am not talking 450, I am just talking about the basic presence we get done today.

And then, secondarily, we will not be keeping up with our high-tech potential adversaries. That bothers me a lot.

SEQUESTRATION IMPACT ON FORCE SIZE

Senator GRAHAM. Secretary Mabus, what do you think the effect will be on the Navy and Marine Corps if we continue sequestration as planned?

Mr. MABUS. Senator, I would just say, amen to what the Commandant and the CNO have said.

The effects of sequestration, should it continue past 2016, would be serious in the extreme to both the Navy and the Marine Corps.

Senator GRAHAM. You are looking at 308 combatant ships by 2020. By 2024, how many will the Navy be able to have?

Mr. MABUS. I will have to get that number for you, but it is over 300 it continues—315.

[The information follows:]

The naval battle force inventory at the end of fiscal year 2024 will be 315 ships.

Senator GRAHAM. Okay.

Well, thank you all for your service.

And to my colleagues, we have to balance the budget. \$17 trillion in debt means everything has to be looked at.

But sequestration was just a bad idea. And I find it almost amusing that all of us would be complaining about the effects of it, but we did it to ourselves. Not one person on this panel recommended sequestration. Not one member of the military came up here and said this was a good idea. We made this up ourselves.

I am glad I voted against it, and if we don't fix it, we have nobody to blame but ourselves. Thank you.

FOR-PROFIT COLLEGES AND UNIVERSITIES

Senator DURBIN. Mr. Secretary, we are on a vote and just have a few minutes left. I would like to do a follow-up question.

If I suggested as a member of the Senate and a member of this panel that I wanted the Navy or the Marine Corps to buy substandard equipment, because of a political connection, you would find that as ghastly as any suggestion that we would provide our men and women in uniform with something less than the best. And I know that you are all dedicated to make sure that whatever it is, by way of equipment, training and such, they get the best.

There is one area where we do not provide the best. Over and over again, we give for-profit colleges and universities access to more than half of the men and women in the military when we know they overcharge and they underproduce when it comes to graduation rates and the capacity of students once they finish.

I had a nephew of mine who was in the Army and he called me and said, "Well, Uncle Dick, the good news is I have signed up at the American Military University." Well, guess what? It is just another for-profit school.

I told him, take a look there. You are from Maryland. The University of Maryland has been offering courses for decades, and you could transfer them when you get out of the service.

I am afraid that too many men and women in the military are being misled into these for-profit schools, wasting the opportunity we give them under the G.I. Bill and service-related education.

What are we going to do about this to clean up this mess?

Mr. MABUS. We share your concern, absolutely, Senator.

And one of the things that we are doing is before a sailor or marine can take advantage of tuition assistance or studying while they are in the military, they have to go to a counselor to make sure that what they are going to get is not just a degree, but it is an accredited degree that will allow them to—or the courses that they take are accredited—so that they can be transferred. So that they are not paying large amounts of money to get a degree that, in the end, just isn't worth very much.

And so we are attacking that by people inside the military, when they go for tuition assistance, when they go to study while they are still on Active Duty, we can do that.

I think that the issue when you get out of the military is an issue that Congress will have to address because then we no longer have any control over where these veterans go.

CONTRACTING WITH COMPANIES THAT DO NOT ADHERE TO HUMANE
WORKING CONDITIONS

Senator DURBIN. General Amos, in November 2012, when a fire broke out at a garment factory in Bangladesh, it was a tragedy, an unspeakable tragedy with innocent people dying under the most inhumane working conditions. And in the rubble, they found indications of some products being made for the Marine Corps.

I believe that you made a decision, as a result of that. Could you tell us what that is? And could I ask the Navy if they are going to follow suit?

General AMOS. Chairman, that came as a complete surprise. What we have is a contracting arrangement, in fact, it is an agreement. It is a licensing agreement. If you are going to use our logo or use our name, you have to—because it is patented.

And so now they have to sign up—the company has to sign up and agree to certain terms. One of the set of terms is we are not going to ship this stuff overseas, and we are not going to put it in substandard sweatshops where people are abused.

So when the fire happened, and the ensuing investigation showed products that would find their way to our Navy and Marine Corps exchanges, we pulled the plug on that. We pulled the license away. We pulled the authority from that company to be able to produce those shirts, shorts. And we have held them accountable for that, Chairman.

We are very serious about that.

Senator DURBIN. Is the Navy going to follow suit?

Admiral GREENERT. We will, Senator. I was made aware of it whenever we had the office call, and Jim and I will talk about it, and we will look to see this company, what they do for us, and take appropriate action.

Senator DURBIN. Beyond this company, though, establish basic standards for production, so that we don't subsidize these awful enterprises?

Admiral GREENERT. Yes, sir. Absolutely. I got it.

Senator DURBIN. Thank you.

Senator Cochran.

Senator COCHRAN. I have nothing.

ADDITIONAL COMMITTEE QUESTIONS

Senator DURBIN. Senator Shelby.

Gentlemen, thank you. I am sorry that we had to abbreviate this hearing. We have many other questions, which we will submit in writing. We hope you get a chance to respond to on a timely basis.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED TO HON. RAY MABUS

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

Question. Secretary Mabus, the Village of Glenview, Illinois, is in the process of selling a parcel of land that the Village purchased from Midwest Family Housing—a Navy Public Private Venture—that was part of Naval Air Station Glenview. It is documented that asbestos was released when the Navy demolished housing at this site. Recent testing indicates asbestos is still present at the site. There are ongoing

conversations between the Village and NAVFAC Midwest concerning remediation of the land. What is your understanding of the Navy's responsibility for remediation of its former properties in this type of situation?

Answer. Pursuant to a covenant in the 2007 deed for this parcel from the Department of the Navy (DON) to Midwest Family Housing (MFH), under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), Section 120(h), the DON warranted that all remedial action necessary to protect human health and the environment with respect to any hazardous substance identified on the property had been taken prior to disposition. The covenant also requires that any additional remedial action found to be necessary under CERCLA after the property is sold to be addressed by the DON.

Representatives of Naval Facilities Engineering Command Headquarters and of the Commander, Navy Installations Command, are engaged in discussions with the Village of Glenview to determine whether an obligation under CERCLA exists that would require the DON to return and remediate under the deed covenant.

Question. A 2008 Department of Defense (DOD) study found that the prevalence of smoking is higher in the military (30.6 percent) than the general adult population (20.6 percent), and that the availability of cigarettes on military installations made it easier to smoke. A separate study found that one in three military smokers began doing so after enlisting. This behavior has severe consequences for readiness and healthcare spending, as tobacco use shortens service members' lives by 10 to 14 years and costs the Department more than \$1.9 billion annually in tobacco-related medical care.

According to the Institute of Medicine's 2009 report: *Combatting Tobacco Use in Military and Veteran Populations*, the Department has set a goal to become tobacco-free, but has yet to achieve that goal despite promoting tobacco-free lifestyles through public-education campaigns, commander training, banning all tobacco use during basic training, and the prohibition of tobacco use by instructors in the presence of students.

What efforts is the Navy taking to reduce tobacco use, including smokeless tobacco, among Navy personnel? How does tobacco use impact military readiness and the long term health of service members? What obstacles does the Navy face to effectively implement a tobacco free lifestyle among personnel and to establish a date for eliminating tobacco at Navy installations?

Answer. The Department of the Navy (DoN) is committed to maximizing the readiness of our Sailors and Marines and as part of that commitment has implemented a number of initiatives to aggressively reduce tobacco use by all personnel. Department of Defense (DOD) policy allows the price of tobacco products sold in military resale outlets to be discounted no more than 5 percent below the most competitive commercial price in the local community. In September 2012, the DoN eliminated the 5 percent discount, and requested a change that would allow Navy and Marine Corps retail outlets to raise prices on tobacco products to match the average commercial price in the local community. DoN is confident that this price increase will enhance readiness by reducing the prevalence of tobacco use among military personnel and has seen a drop in the sale of tobacco products at Navy and Marine Corps exchanges of approximately 11.3 percent since eliminating the 5 percent discount. Additionally, Food and Drug Administration approved Nicotine Replacement Therapy products were made available to assigned service members aboard all ships, in all base clinics and pharmacies, and Battalion Aid Stations at no cost to the member in September 2012 and to dependents via TRICARE in April 2013. Efforts are currently under consideration to ban the sale of tobacco products and e-cigarettes in retail outlets on Navy and Marine Corps installations and vessels. This provides a strong, clear, positive and healthy message to Sailors, Marines, retirees and beneficiaries, that tobacco is dangerous, harmful and costly to the individual, the command, the Military Health System and the DOD. Banning the sale of tobacco products will likely encourage some tobacco users to quit, while discouraging others from initiating tobacco use.

Tobacco use undercuts military readiness and harms individual performance. In the military, tobacco use impacts the health and readiness of service members as evidenced by decreased night vision and lower visual acuity, reduced physical fitness, reduced lung function, increased injuries, hearing loss and delayed wound healing. Wounded warriors who smoke suffer from increased risk of surgical complications and delayed wound healing.

The 2014 U.S. Surgeon General's Report, *The Health Consequences of Smoking—50 Years of Progress*, indicates that smoking and the use of other combusted tobacco products cause many illnesses and diseases including a myriad of malignancies such as lung, liver, bladder, kidney and colorectal cancer; respiratory diseases; cardiovascular diseases; eye diseases and autoimmune disorders such as rheumatoid ar-

thrititis. Smoking also impairs immune function, complicates reproduction, increases risk for diabetes, diminishes the general health of the user, and affects cancer treatment and death risk. An additional threat to smokers is a higher risk of stroke. Smokeless tobacco presents similarly high risks of oral, esophageal, stomach and pancreatic cancer, and causes periodontal disease and tooth loss. There is no safe level of use for cigarettes or smokeless tobacco; health effects are seen across the spectrum of use from occasional light smokers to heavy smokers.

Smoking is also harmful to others. Secondhand smoke (SHS) causes numerous health problems to include cardiovascular disease, lung cancer, sudden infant death syndrome, breathing and lung issues, and even death. SHS is harmful to pregnant women and children, and just like smoking, there is no safe level of SHS exposure, as demonstrated by numerous studies and reports.

Navy and Marine Corps Tobacco Policy, SECNAV Instruction 5100.13E, prohibits the use of tobacco products in all DoN facilities and controlled spaces. The instruction offers guidance for effectively implementing a tobacco-free lifestyle among personnel. Presently, DoN has numerous evidence-based tobacco cessation programs in place and Navy Medicine assets are readily available to help those interested in quitting tobacco use whether they are ashore or afloat. Pharmacotherapy and counseling are accessible at Military Treatment Facilities and other locations.

DoN's goal is to create a culture of health and wellness, while discouraging unhealthy habits such as overindulgence of alcohol and tobacco use. The uncertainty of possible impacts on Sailor and Marine morale, recruiting and retention in an all-volunteer force, potential divergent views on Capitol Hill, and negotiating this change with the 364 civilian DoN work force unions present potential challenges for a smooth implementation of a tobacco-free lifestyle.

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

Question. There has been some debate over whether the Armed Services should be purchasing and using alternative fuel sources to those derived from petroleum. On the one hand, doing so reduces our Nation's vulnerability to petroleum supply disruptions. On the other hand, alternatives such as biofuels are currently more expensive than petroleum-based fuels. My own view is that our military should be considering strategic issues as well as costs when planning for future operations and the materials and commodities those will require. By developing a domestic biofuels capability that can supply the fuels needed by our forces, we achieve critical strategic goals as well as realizing economic benefits.

Do you agree that when it comes to fuel supplies our military needs to consider strategic issues as well as costs when developing plans and contingencies for future operations? Can you give specific examples in which our military has decided to forego the lowest cost alternative due to strategic considerations, and what benefits did our Nation realize as a consequence of such a decision?

Answer. First, it must be mentioned that per fiscal year 2014 NDAA § 315, DOD cannot purchase biofuels or drop-in fuels for operational use unless they are cost competitive with their conventional petroleum fuel counterparts. Therefore, the decision to purchase biofuels that are not cost competitive in price to their petroleum counterparts is unavailable to our operational commanders. Further, one of many initiatives the DOD is pursuing to ensure the availability of cost competitive biofuels is through the Defense Production Act (DPA). Beginning in 2016, the DPA companies will be producing biofuel at commercial scale. Based upon their commitments, the DPA companies stand to:

- produce more than 100 million gallons per year of drop-in, military compatible fuels;
- at a weighted average price of less than \$3.36 per gallon; and
- with at least 50 percent lower lifecycle greenhouse gas (GHG) emissions than that of conventional fuel.

When it comes to operational purchases, fuel is actually the outlier when it comes to purchasing criteria based solely on cost. Many operational purchases are made with strategic rather than purely cost-based considerations. A nuclear aircraft carrier has a total life-cycle cost nearly double that of a conventional aircraft carrier. However, the ability to sail anywhere, at any speed, without consideration for refueling, is deemed much more important than lifecycle cost. This is also true for submarines. A nuclear-powered fast-attack submarine costs 10 times more than a diesel electric submarine. The ability to stay submerged and circle the globe many times without refueling is far more important to the Navy than platform cost. And the USS *Makin Island* (LHD-8) saved \$15 million on fuel costs during its first deployment in 2012. With a hybrid-electric propulsion system, the ship can embark,

deploy, and land elements of a Marine landing force. This force projection is invaluable to the Marine Corps and its mission. These decisions have served the country's interest well, and are a crucial piece of ensuring U.S. maritime dominance.

Question. During your answers to some of my colleagues' questions, you addressed the issue of rising personnel costs. I have long believed that the reserve components of our military represent one of the best returns on investment of our taxpayer dollars. The mandatory healthcare and retirement spending for reserve personnel are lower, installation spending like base housing and exchanges are greatly reduced for reserve personnel, and defense-wide spending such as Department of Defense Education Activities are non-existent.

Given the potential savings not only on personnel accounts, but on other associated costs, has the Department of the Navy examined the current force mix between the active and reserve components of the Marine Corps and Navy? Are there potential changes that could be made to the force mix that would result in cost savings without incurring additional strategic risk?

Answer. Active Component/Reserve Component (AC/RC) mix is reviewed annually in each President's budget submission to Congress. The final force mix is based on many different factors to include changing missions, strategy, capabilities, requirements, and resources. The Department of the Navy has examined the current force mix using a deliberative requirements-based process to provide the appropriate AC/RC balance to maintain core capabilities across mission sets, to satisfy Combatant Commander operational and strategic requirements, and to mitigate risk.

Cost is one of many factors used to determine the right AC/RC mix. The other factors that shape AC/RC force balance decisions include: sourcing for continuous operations (forward and homeland), surge, post-surge demands; predictability and frequency; responsiveness of the force based on complexity of the task, urgency of the task, unit integration, mission, or role; and retention considerations.

The programmed AC/RC mix represents the Department's best estimate required to meet current and future military challenges in support of the National Military Strategy, within available resources.

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. In the 2010 Force Structure Review Group, the Marine Corps emphasized a need for regional, mobile and cost effective support for the various marine components. We are proud to host the MARFORRES and MARFORNORTH Headquarters in New Orleans, LA. We also have a Naval Air Station/Joint Reserve Base (NAS/JRB) in Belle Chasse, Louisiana—not far from the new Marine HQ Building. Recently, the Navy stood down the VFW-77 squadron housed at NAS/JRB. This left a great hanger and adjacent squadron building that can host a number of entities.

Based on the recommendation from the 2010 FSRG and as you look at future force structure and asset placement and manning, would you take a strong look at the Naval Air Station/Joint Reserve Base, New Orleans as a location for a V-22 Osprey Squadron and/or a drone squadron?

Answer. Marine Forces Reserve has enjoyed a close relationship with the great State of Louisiana for many years. Together, this team has weathered many storms and the professional bonds have never been stronger. Although the 2010 FSRG did realign some assets, there were very limited moves within Marine Corps Aviation. Mentioning the availability of this hangar in Belle Chasse, Louisiana is appreciated. Currently, the Marine Corps Aviation Plan does not have a requirement to move an MV-22 squadron or an Unmanned Aerial System squadron to Belle Chasse, Louisiana. In this very dynamic environment, should additional adjustments be required, the Marine Corps will certainly consider all fiscally responsible options to include Belle Chasse.

Question. I understand that VFA-204's jets are now essentially obsolete for almost all Navy strategic reserve missions; and even accounting for the ongoing high flight hour inspection, they will begin to run out of airframe life within a few years. In fact, there are so many jets constantly in maintenance that their current mission is getting harder and harder to achieve because pilots are grounded for so long and maintainers are overworked.

What is the current plan of record to recapitalize VFA-204 with fleet representative Super Hornets or F-35's? Do you agree that their current mission is important enough to recapitalize?

Answer. Due to fiscal constraints there is no near term plan to recapitalize VFA-204's legacy F/A-18 aircraft with F-35Cs or Fleet representative Hornets. VFA-204 continues to achieve mission success even while working through the maintenance challenges associated with operating aging USN Hornet aircraft. These challenges

are similar to those faced by other active and reserve Navy squadrons that operate legacy F/A-18s, and Naval Aviation will address these challenges in both active and reserve squadrons with a holistic total force approach to ensure we succeed in all VFA squadron missions, to include the important missions executed by VFA-204.

Question. Over the last few years the Navy has been working with Huntington Ingalls Industries to wind down the Navy shipbuilding taking place at its Avondale yard in Louisiana.

Are there any closeout costs that have been agreed to and executed? And, if so, what are those costs?

Answer. In July 2010, Huntington Ingalls Industries (HII)—then Northrop Grumman Shipbuilding—announced their plans to close the Avondale shipyard. USS SOMERSET (LPD 25) was the final ship constructed at the Avondale shipyard; and the ship departed the shipyard in February 2014. Approximately 45 percent of the units for LPD 27, which is being constructed at HII's Pascagoula shipyard, were/are being assembled at the Avondale shipyard; and the last of those units will be shipped to the Pascagoula shipyard by the end of fiscal year 2014.

In March 2014, HII provided a revised restructuring proposal associated with the closure of the Avondale shipyard; and that proposal is currently under review by the Navy and being audited by Defense Contract Audit Agency. Once the audit is complete, the Navy will determine the allowability of proposed restructuring costs and negotiate those costs with HII. Ship construction contracts for LPD 26, LPD 27, LHA 7 and DDG 113 contain Not to Exceed (NTE) clauses which address restructuring costs associated with Avondale's closure. Once the restructuring costs have been negotiated, those contract clauses will be adjudicated.

Question. I understand that the reduction of one ship (from 4 to 3) in the fiscal year 2015 budget was done for affordability issues. The LCS program is maturing and getting stability. The breaking of the block buy in fiscal year 2015 by moving the last ship in the buy will impact not only both shipbuilders but many suppliers as well as increase the cost of the last ship.

Can you provide the rationale for breaking the last ship of the block buy and introducing a potential cost increase to all of the ships in the program?

Answer. The fiscal year 2015 President's Budget includes funding for three LCSs. The reduction to the number of ships procured in fiscal year 2015 is the result of the tough choices required under reduced funding levels in fiscal year 2015 relative to the fiscal year 2014 plan due to fiscal constraints under the Bipartisan Budget Act (BBA).

Navy plans to procure the single LCS shifted to fiscal year 2016 under the current block buy contract(s) by making an adjustment to one of the two contracts. It is expected that this slight adjustment to the procurement profile can be accomplished with minimal cost and schedule impact on the fiscal year 2016 ship. The decision of which shipbuilder will have one ship shift to fiscal year 2016 will be determined in consultation with industry, with consideration of cost, production schedule performance, shipyard resource loading, and vendor base considerations.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. Secretary Mabus, for the record, for each ship in the classic amphibious ready group, would you share with the subcommittee the notional manning and the total value of equipment (aircraft, vehicles, repair parts, support equipment etc.), on board each amphibious warship?

Answer. The classic amphibious ready group (ARG) is comprised of three ships: one amphibious assault ship (LHA or LHD), one amphibious transport dock (LPD), and one dock landing ship (LSD). Although the ships of each class are similar, there are specific differences between the manning levels and equipment onboard based on the core mission for that ship class.

The notional manning for a classic ARG includes both the Navy personnel (ship's crew) as well as embarked Marines. An ARG will classically deploy with an embarked Marine Expeditionary Unit (MEU), but the exact equipment and personnel arrangements within the ships can differ significantly.

The notional Navy manning, based on current onboard averages, for the ARG is as follows:

LHA/D: 962
LPD: 350
LSD: 320

The additional manning onboard the ships as part of a MEU includes approximately 2200 Sailors and Marines. These personnel can be berthed on different ARG

ships per the MEU commander's guidance. Troop berthing capacities for each type of ship are:

LHA/D: 1871

LPD: 800

LSD: 504

The total value of Navy installed equipment (beyond the ~\$8 billion required for the ships themselves), based on initial load-out of spares and support equipment, is as follows:

LHA/D: \$11 million of spares, \$12 million of support equipment

LPD: \$7 million of spares, \$7 million of support equipment

LSD: \$6 million of spares, \$6 million of support equipment

In addition to the ship's organic equipment, the MEU brings a mission-tailorable mix of aircraft, landing craft, tanks, assault craft, vehicles, artillery, ammunition, and support equipment. The average combined value of all of these items is approximately \$7 billion.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

Question. I'd like to understand how we are postured to resource our Nation's ever expanding role in the arctic region, particularly as we approach our Chairmanship of the Arctic Council. The Administration's Implementation Plan for the National Strategy for the Arctic Region names the Navy as lead agency for the forecasting and predicting of sea ice, as well as a supporting agency for a number of other areas. According to your recently released Navy Arctic Roadmap, you plan to concentrate on improving operational capabilities, expertise, and capacity, in the arctic region.

How does your fiscal year 2015 budget request reflect your lead DOD role as well as your increased emphasis on the arctic?

Answer. The Implementation Plan identifies DOD as the lead department for the forecasting and predicting of sea ice. Navy, through the Office of Naval Research (ONR), leads one of twelve collaboration groups in support of the Interagency Arctic Research Policy Committee (IARPC)'s Arctic Research Plan fiscal year 2013–2017. The fiscal year 2015 budget includes funding for the ONR's Arctic environmental R&D program and for the Naval Research Laboratory's efforts in modeling and predicting Arctic sea ice movements for development of the Earth System Prediction Capability (ESPC)—intended to improve air-sea-wave-ice regional numerical forecasts. The budget also includes funding for operation of the Naval Ice Center, sustainment of T-AGS 60 Class survey ships which provide limited capability to support Arctic hydrographic/charting requirements, and for UHF voice communications capabilities (up to 85 deg north).

QUESTIONS SUBMITTED BY SENATOR LINDSEY GRAHAM

Question. Mr. Secretary, could you provide for the Committee the basic outline of the current Navy aviation tire management contract, including the performance metrics of the program since the contract was first awarded in 2000. In the view of the Navy, has the existing aviation tire management contract provided the performance envisioned when the contract was first awarded and has it saved money for the taxpayer?

Answer. The current Navy aviation tire Performance Based Logistics (PBL) contract has provided outstanding performance since the contract was awarded and has saved money for the taxpayer. The Navy's current PBL is a firm-fixed price (FFP) type of contract competitively awarded to a single contractor. Under the terms of the PBL, the contractor must estimate Navy tire requirements and meet actual demand within specific time requirements.

Since contract performance began, tire availability to the Naval Aviation Fleet has increased leading to greater mission capability readiness. Logistics Response Time has been reduced from 60 days to 2–4 days. Tire quality delivered has matched or exceeded Navy Quality Assurance standards and specifications.

The Navy Tire PBL contract utilizes FFP pricing which has maintained stable prices (then-year prices adjusted for inflation) and Free On Board (FOB) Destination as the delivery term. The Navy contract prices are lower than the prices Navy would have paid under the DLA pricing structure as there is no Economic Price Adjustment added to FFP. FOB Destination means storage and transportation costs are borne by the contractor and not the Government resulting in significant savings. An additional cost saving is that there is no separate expense for a supply chain

manager. Supply Chain Management is included in the contract Statement of Work and priced in the tires.

Question. In the past, some in Congress suggested that the Navy aviation tire program should be folded into the Defense Logistics Agency (DLA) Tire Privatization Initiative (TPI) or the subsequent Tire Successor Initiative (TSI) program. When this was raised in 2009, the Navy indicated that doing so at that time would cost the Navy upwards of \$40 million over a 5 year period. Does the Navy still believe that managing its aviation tire program is in the best interest of the warfighter and the American taxpayer?

Answer. The Navy believes that managing its aviation tire program is in the best interest of the Navy and taxpayer. Cost, quality, and schedule performance on the current contract has been outstanding and would not have been better under the DLA TSI initiative. The Navy has been working collaboratively with DLA, which is preparing to compete their follow-on TSI contract at this time. The Navy has shared its contract structure, terms and conditions, and market research with DLA to better inform the acquisition strategy for the Navy and DOD. The Navy intends to issue its Request For Proposals (RFP), receive all proposals and data, and generate a Business Case Analysis to inform the decision as to whether pursuing a separate follow-on contract or adding Naval aviation tires to the DLA TSI portfolio offers greater affordability, availability, and reliability to the warfighter and taxpayer.

Question. My understanding is that the Navy is preparing a Request for Proposal (RFP) for a new aviation tire program. Please provide for the Committee the status of that RFP and a rationale for why pursuing a Navy aviation tire specific RFP remains in the best interests of the Navy and the taxpayer?

Answer. The Navy is conducting market research and drafting the acquisition strategy and RFP for review and approval. NAVSUP released a draft Statement of Work (SOW) and list of aviation tires that would constitute the scope of the contract on FedBizOpps on 13 November 2013. This release also announced an Industry Day that took place on 17 December 2013 where a general overview of Performance Based Logistics (PBL) and specifically the Navy aviation tire PBL SOW were reviewed with industry. Time for general questions and comments was provided and one-on-one interchanges with attendees were also conducted. Results of the market research indicate a highly competitive environment.

A Navy aviation tire specific RFP remains in the best interest of the Navy and taxpayer because performance has been outstanding on quality, tire availability, and delivery on the current contract due to the terms and conditions the Navy has incorporated. Cost savings as a result of the Navy unique contract pricing structure has been a great benefit to the Navy and taxpayer. The Navy anticipates continued savings in the new competition but will conduct a Business Case Analysis to inform the decision as to whether pursuing a separate follow-on contract or adding Naval aviation tires to the DLA TSI portfolio offers greater affordability, availability, and reliability to the warfighter and taxpayer.

QUESTIONS SUBMITTED TO ADMIRAL JONATHAN GREENERT

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

Question. During your answers to some of my colleagues' questions, you addressed the issue of rising personnel costs. I have long believed that the reserve components of our military represent one of the best returns on investment of our taxpayer dollars. The mandatory healthcare and retirement spending for reserve personnel are lower, installation spending like base housing and exchanges are greatly reduced for reserve personnel, and defense-wide spending such as Department of Defense Education Activities are non-existent.

Given the potential savings not only on personnel accounts, but on other associated costs, has the Navy examined the current force mix between the active and reserve components? Are there potential changes that could be made to the force mix that would result in cost savings without incurring additional strategic risk?

Answer. Active Component/Reserve Component (AC/RC) mix is reviewed annually in each President's budget submission to Congress. The final force mix is based on many different factors to include changing missions, strategy, capabilities, requirements, and resources. Navy has examined the current force mix using a deliberative requirements-based process to provide the appropriate AC/RC balance to maintain core capabilities across mission sets, to satisfy Combatant Commander operational and strategic requirements, and to mitigate risk.

Cost is one of many factors used to determine the right AC/RC mix. The other factors that shape AC/RC force balance decisions include: sourcing for continuous

operations (forward and homeland), surge, post-surge demands; predictability and frequency; responsiveness of the force based on complexity of the task, urgency of the task, unit integration, mission, or role; and retention considerations.

The programmed AC/RC mix represents the Department's best estimate required to meet current and future military challenges in support of the National Military Strategy, within available resources.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

Question. Admiral Greenert, as you know, the P-8A Poseidon is the future of the Navy's anti-submarine warfare and long-range maritime patrol capability. Deployed for operational duties for the first time last year, it is already demonstrating the Navy's vision for increased range, speed, and power that contribute to greater maritime domain awareness. As the Department of Defense continues to focus on the Pacific region, the P-8A is particularly well-suited for meeting this national strategic effort.

Moreover, the Navy has delivered the P-8A on-schedule and ahead-of-cost. There are very few Department of Defense programs that can claim such an accomplishment and you have stated that the P-8A program is a model acquisition program.

Yet, the fiscal year 2015 budget request makes a significant cut to the P-8A procurement and even suggests reducing the requirement from 117 aircraft to 109 aircraft in the entire inventory. Just last year you testified that the inventory was 117 aircraft to meet a warfighting requirement.

I am concerned that one of the Navy's best performing acquisition programs faces a reduction in the Program of Record.

Can you please respond to how the Navy's warfighting requirement for 117 P-8A aircraft has changed?

Answer. The Navy was compelled by fiscal constraints to lower the final P-8A inventory objective from 117 to 109 aircraft. The warfighting requirement remains 117, but the Navy can only afford 109.

Question. Will the change in the Program of Record alter the transition from P-3C aircraft?

Answer. The change in the Program of Record does not alter the P-3C-to-P-8A transition.

Question. And how will the Navy work to ensure that reductions in the P-8A procurement are not repeated in a difficult fiscal environment?

Answer. Even in a difficult fiscal environment, the Navy will continue to procure P-8A. The Navy will evaluate P-8A procurement rates as part of the systematic budget process to ensure the service meets the administration's Defense Strategic Guidance.

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. I understand that VFA-204's jets are now essentially obsolete for almost all Navy strategic reserve missions; and even accounting for the ongoing high flight hour inspection, they will begin to run out of airframe life within a few years. In fact, there are so many jets constantly in maintenance that their current mission is getting harder and harder to achieve because pilots are grounded for so long and maintainers are overworked.

What is the current plan of record to recapitalize VFA-204 with fleet representative Super Hornets or F-35s? Do you agree that their current mission is important enough to recapitalize?

Answer. Due to fiscal constraints there is no near term plan to recapitalize VFA-204's legacy F/A-18 aircraft with F-35Cs or Fleet representative Hornets. VFA-204 continues to achieve mission success even while working through the maintenance challenges associated with operating aging USN Hornet aircraft. These challenges are similar to those faced by other active and reserve Navy squadrons that operate legacy F/A-18s, and Naval Aviation will address these challenges in both active and reserve squadrons with a holistic total force approach to ensure we succeed in all VFA squadron missions, to include the important missions executed by VFA-204.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. Admiral Greenert, the Navy has made significant progress in development of the Electromagnetic Railgun. Could you describe the potential advantages

of this technology and describe efforts to demonstrate the capability at-sea? Are there cost benefits to employing this technology?

Answer. Railgun technology has a number of potential advantages both tactically and from a cost benefit perspective. Studies indicate high-energy Railguns will be lethal and effective against multiple threats, including enemy surface targets, aircraft, select missile threats and land-based targets. Railgun's Hyper Velocity Projectile (HVP) is launched by an electromagnetic pulse. The projectile hits with such speed and kinetic energy that high-explosive warheads are not required. By eliminating gun powder, rocket motors and high explosive warheads from our magazines, Railgun-capable ships will be inherently safer. The Railgun's HVP is compact permitting many rounds to be stored in the ship's magazine. Deep magazines increase power projection as well as defensive capabilities in the most challenging enemy raid scenarios. Railgun's long range and accuracy will make it ideal for precision strike when collateral damage must be kept to a minimum. The Railgun will not replace all legacy guns and missiles, but it will provide the fleet with a complementary weapon that extends our defense-in-depth capacity and adds offensive flexibility against surface and land targets.

Studies indicate Railgun is also cost effective. Compared to missiles, HVPs will be extremely affordable due to low cost per shot, and low cost per engagement even if multiple shots are required. Railgun will shift the cost curve dramatically in favor of the U.S. against missile threats. Our cost to defend using Railgun will be a small fraction of the cost of the attacking missiles and allow vessels to conserve their defensive missiles. The Railgun's HVP can also be configured to fire from conventional powder guns currently in the fleet. This will provide extended range and the ability to engage cruise missiles with existing gunpowder guns while maintaining more expensive missiles for use against only the most demanding threats.

As part of the test program, the Navy intends to install an early prototype of an electromagnetic Railgun aboard a Joint High Speed Vessel in fiscal year 2016. This demonstration is the latest in a series of technical maturation efforts designed to provide an operational Railgun to the fleet. The fiscal year 2016 at-sea test will utilize a manually loaded Railgun system capable of firing guided projectiles to a designated target. In 2018, the Navy plans at-sea tests of a more mature Railgun prototype capable of firing multiple rounds per minute to an operational range of 110 nautical miles.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

Question. I would contend that the United States has lagged behind other nations in resourcing arctic requirements. I've heard over and over again that we lack sufficient domain awareness, arctic infrastructure, and ice capable vessels. It seems as if we've sat on the sidelines and watched other nations, like Russia, amass a much larger and more capable arctic fleet, tipping the scales of the desired status quo of mutual support and peaceful engagement in the region. Thankfully, it sounds like you have reenergized the Office of the Naval Oceanographer to focus on improving our posture in the arctic.

What do you feel are the most critical near-term requirements in the arctic region and how do you intend to ensure that we aren't late-to-need in resourcing them?

Answer. We have identified three critical requirements for the near-term (present to 2020):

- 1) Enhanced understanding of the Arctic environment and its impact on operations through focused R&D
- 2) Expanded training and exercises to develop operational experience and capabilities
- 3) Continued focus on building partnerships with other Arctic nations

The Navy is capable of meeting current requirements in the Arctic, primarily through our submarine and air assets. As the Arctic becomes more accessible, it is likely that we will need the ability to provide a sustained surface presence. The 2014 Arctic Roadmap provides an implementation plan that will guide our investments and preparations through 2030. It emphasized cost effective, long lead-time activities to match capability and capacity to future demands.

QUESTIONS SUBMITTED TO GENERAL JAMES F. AMOS

QUESTIONS SUBMITTED BY SENATOR TOM HARKIN

Question. During your answers to some of my colleagues' questions, you addressed the issue of rising personnel costs. I have long believed that the reserve components

of our military represent one of the best returns on investment of our taxpayer dollars. The mandatory healthcare and retirement spending for reserve personnel are lower, installation spending like base housing and exchanges are greatly reduced for reserve personnel, and defense-wide spending such as Department of Defense Education Activities are non-existent.

Given the potential savings not only on personnel accounts, but on other associated costs, has the Marine Corps examined the current force mix between the active and reserve components? Are there potential changes that could be made to the force mix that would result in cost savings without incurring additional strategic risk?

Answer. The United States Marine Corps has examined the current force mix between the active and reserve components. The units in the U.S. Marine Corps Forces Reserve are manned, trained, and equipped to mirror the Active Component Marine Expeditionary Forces (MEF's) and provide individuals or units to augment and reinforce the MEF's. This force design was purposefully created to maximize effectiveness and efficiency resulting in cost savings without incurring additional strategic risk.

The Active Component 175K force was built to deploy active units at 1:2 deployment-to-dwell, and use the Reserve Component to augment and reinforce the Active Component at 1:4 deployment-to-dwell if needed for steady state or emerging requirements. Reserve Component capacity is required to meet steady state demand. For example, one reserve infantry battalion is required to periodically mobilize and deploy, since 22 infantry battalions are required for steady state operations and there are only 21 infantry battalions in the Active Component 175K force. However, in fulfilling its predominant role as America's Expeditionary Force in Readiness, the Marine Corps must rely principally on Active Component forces, to respond to crisis around the world.

On balance, mandatory healthcare and retirement spending for reserve personnel are lower, installation spending like base housing and exchanges are greatly reduced for reserve personnel, and defense-wide spending such as Department of Defense Education Activities are non-existent for the Reserve Component. However, when mobilized, Reservists are more expensive than Active Component counterparts. The primary reason the Reserves are more expensive is the increase in cost and the fact that all Reserve Component personnel rate housing and partial per diem since no Reserve Marine, regardless of rank, lives in barracks while not mobilized. In addition, most Reserve Component units are stationed in high-population areas, which translate to higher BAH rates when deployed.

In summary, the units in the U.S. Marine Corps Forces Reserve mirror the active component forces to augment and reinforce steady state and contingency requirements.

QUESTIONS SUBMITTED BY SENATOR PATTY MURRAY

Question. Background: General Amos, I appreciate the emphasis you have placed on combatting sexual assault within the Marine Corps. I am particularly encouraged by the Marine Corps' creation of the Victims Legal Counsel Organization (VLCO). This organization demonstrates the Marine Corps' commitment to fully implementing the NDAA provision I fought for requiring that victims of sexual assault be provided with dedicated, specially trained legal counsel to advise and assist them as they pursue justice and to protect them from potential retaliation.

I believe that this program is essential to restoring trust between victims of sexual assault and the Marine Corps, and that for the program to be effective it must be resourced appropriately. I was encouraged to learn earlier this year that you had established a cadre of 15 Victims' Legal Counsels and that they had already assisted 114 sexual assault victims.

As you noted in your testimony, sexual assault reporting continues to increase as victims become more confident that they will be treated with dignity and respect and that the system is capable of delivering justice. While I agree that increased reporting could be a sign of progress, I am concerned that this will increase demand for Victims' Legal Counsels (VLC) beyond what your current program can sustain.

Does this budget provide the resources you need to ensure that there are enough Victims' Legal Counsels to guarantee that every victim of sexual assault is afforded the advice, assistance, and protection they deserve?

Answer. The VLCO was established in January 2014, and the fiscal year 2015 budget request supports anticipated Marine Corps requirements. The Marine Corps is fully committed to provide legal advice and detailed representation to victims of sexual assault and other crimes and to protect victims' rights at all stages of the

military justice process. Additionally, we are committed to ensure all victims of sexual assault shall be informed and given the opportunity to consult with a VLC as soon as the victim receives assistance from a Sexual Assault Response Coordinator (SARC), Sexual Assault Prevention and Response (SAPR) Program, or Family Advocacy Program (FAP) Victim Advocate, military criminal investigator, victim-witness liaison or coordinator or trial counsel.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. General Amos, it appears that the Future Years Defense Program accompanying this budget proposal does not support the Combatant Commanders' requests for amphibious ships. Would you consider a 12th LPD amphibious ship an unfunded requirement to address Combatant Commanders' requests and lift shortfalls?

Answer. The Navy will deliver the 11th LPD 17 during fiscal year 2017, which fulfills the agreed to inventory. However, this inventory provides the minimum capacity for steady state Amphibious Ready Group/Marine Expeditionary Unit (ARG/MEU) deployments and single-ship deployments for theater security cooperation activities. This inventory does not provide the capacity to support additional independent amphibious warship demands, such as maritime security operations.

A 12th LPD 17 class ship would provide much needed additional flexibility and would greatly enhance the Navy and Marine Corps ability to accomplish forward presence and crisis response missions. However, it is imperative that the acquisition of a 12th LPD 17 not impede or delay the LX(R) program acquisition, which is essential to meeting the mid-term and long-term amphibious warship requirements of the Department.

The Department of the Navy's investment in amphibious warships represents critical investments that enable Marine Corps forces to execute their assigned forward presence and crisis response missions. The Chief of Naval Operations (CNO) and Commandant of the Marine Corps (CMC) have determined that the force structure required to support a 2.0 Marine Expeditionary Brigade (MEB) Assault Echelon (AE) is 38 amphibious warfare ships, as communicated to the House and Senate Appropriations and Armed Services committees in a joint Secretary of the Navy/CNO/CMC letter dated 7 Jan 2009. Given fiscal constraints, the Department of the Navy (DoN) determined a minimum inventory of 33 total amphibious warfare ships (11 LHD/LHA(R), 11 LPD 17, and 11 LSD 41/49s) represent the limit of acceptable risk in meeting the 38-ship requirement for the AE in a two MEB forcible entry operation. As the Long Range Plan for Construction of Naval Vessels for 2015 does not meet the 11/11/11 amphibious warship inventory as mentioned above until fiscal year 2025, a 12th LPD 17 would assist in supporting the Geographic Combatant Commanders' requests until the LX(R) program is completed.

QUESTIONS SUBMITTED BY SENATOR LISA MURKOWSKI

Question. As you know, I am very proud of the training Army Alaska conducts at the Northern Warfare Training Center, based at Fort Wainwright with training conducted at the Black Rapids Training Site approximately 30 miles south of Delta Junction. This is the premier extreme cold weather training site for the entire Department of Defense. I know we've talked about this before, but do you still see training value for the Marine Corps at the Northern Warfare Training Center? Now that that our involvement in Afghanistan is drawing down and the services are focused on rebuilding readiness, isn't this the perfect time for Marines to take advantage of this elite extreme cold training facility?

Answer. The Marine Corps Mountain Warfare Training Center (MCMWTC) is dedicated to the integration of warfighting elements at medium to high altitudes (range from 6,800' to 11,200' in elevation) in complex, compartmentalized, and mountainous terrain in all weather conditions utilizing military mountaineering skills in order to enhance a unit's ability to shoot, move, communicate, sustain, and survive in mountainous regions of the world. The Marine Corps utilizes the MCMWTC because it can house up to 1,100 personnel, and can train an infantry battalion with Air and Logistics support for each month-long Mountain Training Exercise. The Northern Warfare Training Center (NWTC) can only house up to 140 troops and cannot train forces larger than the size of a platoon.

In fiscal year 2013, the MCMWTC trained 1,126 U.S. Army soldiers and 6,068 U.S. Marines, and the NWTC in Alaska trains approximately 1,300 soldiers annually. In addition, the NWTC curriculum does not include Programs of Instruction for the Marine Corps Cold Weather Infantry Kit, track plan, arctic sentry, defensive

positions, long range movements, camouflage/concealment, causality evacuation, patrolling, offensive operations, defensive operations, or ambushes. MCMWTC is the only command in the DOD that teaches Animal Packing, Special Operations Horsemanship, and Military Skiing Programs of Instruction.

QUESTIONS SUBMITTED TO VICE ADMIRAL ROBIN BRAUN

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. In the 2010 Force Structure Review Group, the Marine Corps emphasized a need for regional, mobile and cost effective support for the various marine components. We are proud to host the MARFORRES and MARFORNORTH Headquarters in New Orleans, LA. We also have a Naval Air Station/Joint Reserve Base (NAS/JRB) in Belle Chasse, Louisiana—not far from the new Marine HQ Building. Recently, the Navy stood down the VFW-77 squadron housed at NAS/JRB. This left a great hanger and adjacent squadron building that can host a number of entities.

Based on the recommendation from the 2010 FSRG and as you look at future force structure and asset placement and manning, would you take a strong look at the Naval Air Station/Joint Reserve Base, New Orleans as a location for a V-22 Osprey Squadron and/or a drone squadron?

Answer. Marine Forces Reserve has enjoyed a close relationship with the great State of Louisiana for many years. Together, this team has weathered many storms and the professional bonds have never been stronger. Although the 2010 FSRG did realign some assets, there were very limited moves within Marine Corps Aviation. Mentioning the availability of this hangar in Belle Chasse, Louisiana is appreciated. Currently, the Marine Corps Aviation Plan does not have a requirement to move an MV-22 squadron or an Unmanned Aerial System squadron to Belle Chasse, Louisiana. In this very dynamic environment, should additional adjustments be required, the Marine Corps will certainly consider all fiscally responsible options to include Belle Chasse.

QUESTIONS SUBMITTED BY SENATOR THAD COCHRAN

Question. Vice Admiral Braun, I am informed that the Active Duty Navy relies on the Navy Reserve for all intra-theater cargo and passenger transport. I understand the Navy Reserve uses the C-40A aircraft to fulfill the requirement and that you are short aircraft inventory. How many aircraft are you short?

Answer. The Navy requires two additional C-40A cargo and passenger aircraft beyond current orders to reach the 17 needed to meet Fleet transport requirements. We currently operate 12 C-40A cargo and passenger aircraft and another three C-40As are on contract, with deliveries scheduled for December 2014, May 2015, and November 2016. These three deliveries will bring our C-40A fleet inventory to 15 aircraft.

Question. Why doesn't the Navy budget for these aircraft or use the National Guard and Reserve Equipment Account, which Congress provides, to buy these necessary aircraft?

Answer. Of the 15 Navy Reserve C-40A aircraft in inventory or on contract, six have been procured under Presidential budget authority and four have been procured by Congressional additions to appropriations. The remaining five have been procured by National Guard and Reserve Equipment Appropriations (NGREA) funding: aircraft #1 and #2 (fiscal year 1997), #3 (fiscal year 1998), #4 (fiscal year 1999), and #14 (fiscal year 2012).

Fiscal constraints have forced the Department of the Navy to make difficult decisions including leaving the C-40A below the cut-line in recent budget submissions. The Secretary of Defense, Secretary of the Navy, and the Chief of Naval Operations recognize there is a requirement for 17 C-40A aircraft to meet Fleet operational tasking. Two additional C-40As were placed on the CNO's Unfunded Requirements List and within the "Opportunity, Growth, and Security Initiative" (OGSI) facet of the President's Budget for fiscal year 2015. Procurement of C-40A aircraft has also been the #1 priority on Navy Reserve's National Guard and Reserve Equipment Report (NGRER) for the past 5 years.

In years that the Navy's NGREA funding is less than the cost of a single C-40A (currently \$72.5 million) it is not an option to procure these cargo and passenger transport aircraft. In years that the NGREA funding is sufficient, procuring a C-40A is carefully considered when prioritizing Navy Reserve's purchase plan. Guidance provided by both Appropriations Committees' staffs is always a primary consideration when developing our NGREA buy list.

QUESTIONS SUBMITTED TO LIEUTENANT GENERAL RICHARD P. MILLS

QUESTIONS SUBMITTED BY SENATOR MARY L. LANDRIEU

Question. In the 2010 Force Structure Review Group, the Marine Corps emphasized a need for regional, mobile and cost effective support for the various marine components. We are proud to host the MARFORRES and MARFORNORTH Headquarters in New Orleans, LA. We also have a Naval Air Station/Joint Reserve Base (NAS/JRB) in Belle Chasse, Louisiana—not far from the new Marine HQ Building. Recently, the Navy stood down the VFW-77 squadron housed at NAS/JRB. This left a great hanger and adjacent squadron building that can host a number of entities.

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SUBCOMMITTEE RECESS

Senator DURBIN. Thank you, again, for your service.

[Whereupon, at 11:15 a.m., Wednesday, March 26, the subcommittee was recessed, to reconvene subject to the call of the Chair.]